3047921

Gnutti Carlo (UK) Limited

Report and Financial Statements

31 December 2014

Directors
P C Gnutti
M Gnutti
P Groff
S P Shaw

Auditors
Ernst & Young LLP
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Castle Street
Hull HU1 1TJ

Registered Office
33 West Street
Alford
Lincolnshire LN13 9DQ

Registered No. 3047921

Directors' report

The directors present their report and financial statements for the year ended 31 December 2014.

Strategic report

The company is entitled to small companies exemption in relation to the strategic report for a financial year as (a) it is entitled to prepare accounts for the year in accordance with the small companies regime, or (b) it would be so entitled but for being or having been a member of an ineligible group.

Results and dividends

The profit for the year after taxation amounted to £1,869,000 (2013 – profit of £984,000). The directors do not recommend a final dividend (2013 – £nil).

Principal activities and review of the business

The company's principle activity continues to be general engineering, primarily for the valve actuation heavy duty diesel engine sector.

The company's key financial and other performance indicators during the year were as follows:

	2014	*2013*	*Change*
	£000	*£000*	*%*
Turnover	16,400	13,312	23.2%
Operating Profit	2,398	1,260	90.3%
Profit after tax	1,869	984	89.9%

Turnover increased in 2014 due to both full year of sales on new contracts received in 2013 and a high level of pre build on engines prior to the Tier 4 Final emissions regulation introduction at the end of the year. The stock built and held by customers at the end of 2014 will have a significant impact on our sales for 2015, and we are budgeting a 30% reduction in turnover.

The company is in the process of restructuring from a manufacturing plant to an assembly and logistics operation following the relocation of the final manufacturing processes in 2012. Some transfer of product to sister companies has been delayed due to approvals not being granted by the customer in the expected time frame. Increased turnover, favourable exchange rate gains and higher than expected selling prices have led to a significant increase in profit, however we expect this trend to be short lived and profit levels will return to around 10% in 2015.

Headcount is expected to decline as our customers continue to relocate final engine assembly to low cost countries, reducing UK volume, however the 2014 planned direct labour reductions were delayed by the additional business. The direct head count did reduced by 10 due to the transfer of one assembly line to Gnutti Carlo Spa. Further cuts are anticipated in 2015.

Directors' report (continued)

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board are implemented by the company's management.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The board will reconsider the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The company retains sufficient cash to ensure it has available funds for operations and capital expenditure. The company also has access to longer term funding from its ultimate parent undertaking if required.

Interest rate cash flow risk

The company does not have interest bearing assets, but has interest bearing liabilities with its parent undertaking at fixed rates which ensures certainty of future interest cash flows. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. The directors will reconsider the appropriateness of this policy should the company's operations change in size or nature.

Going concern

At the balance sheet date the company has net assets of £1,544,000 (2013 – £25,000 liability). Having made a profit in 2014 and 2013, this trend should continue and in future years the company is anticipated to make profits and generate cash. The directors have prepared budgets and cash flows for at least the next twelve months that support the company's ability to make profits, generate cash and meet its liabilities as they fall due. Based on the above, the directors consider that it is appropriate to draw up these financial statements on a going concern basis.

Directors

The directors who served the company during the year were as follows:

P C Gnutti
M Gnutti
P Groff
S P Shaw

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as director(s) in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' report (continued)

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

Stuart Shaw
Director
11 June 2015

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Gnutti Carlo (UK) Limited

We have audited the financial statements of Gnutti Carlo (UK) Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report (continued)

to the members of Gnutti Carlo (UK) Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Richard Frostick (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Hull
15 June 2015

Profit and loss account

for the year ended 31 December 2014

	Notes	2014 £000	2013 £000
Turnover	2	16,400	13,312
Cost of sales		(13,278)	(11,312)
Gross Profit		3,122	2,000
Distribution costs		(15)	(10)
Administrative expenses		(709)	(730)
Operating Profit	3	2,398	1,260
Interest payable and similar charges	6	(53)	(78)
Other finance costs	17	-	-
Profit on ordinary activities before taxation		2,345	1182
Tax	7	(476)	(198)
Profit for the financial year	15	1,869	984

All amounts relate to continuing activities.

Statement of total recognised gains and losses

for the year ended 31 December 2014

	2014 £000	2013 £000
Profit for the financial year	1,869	984
Actuarial loss on pension scheme (note 17)	(300)	(300)
Movement on deferred tax relating to pension scheme	-	-
Total recognised gains and losses for the year	1,569	684

Balance sheet

at 31 December 2014

	Notes	*2014* *£000*	*2013* *£000*
Fixed assets			
Tangible assets	8	239	418
Investments	9	1	1
		240	419
Current assets			
Stocks	10	1,506	1,651
Debtors	11	4,378	5,807
Cash at bank and in hand		879	328
		6,763	7,786
Creditors: amounts falling due within one year	12	(3,419)	(6,013)
Net current assets		3,344	1,773
Total assets less current liabilities		3,584	2,192
Creditors: amounts falling after more than one year	13	(2,040)	(2,217)
Net assets excluding pension liability		1,544	(25)
Pension liability	17	-	-
Net assets/(liability) including pension liability		1,544	(25)
Capital and reserves			
Called up share capital	14	619	619
Share premium account	15	3,281	3,281
Other reserves	15	1,500	1,500
Profit and loss account	15	(3,856)	(5,425)
Shareholders' funds	16	1,544	(25)

Approved by the board and signed on its behalf by

S Shaw

Director

11 June 2015

Notes to the financial statements

at 31 December 2014

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied. All revenue is recognised at the date of supply.

Statement of cash flows

The company is a wholly owned subsidiary of a parent whose financial statements are publicly available. Consequently the company is exempt under the terms of FRS 1 from publishing a statement of cash flows.

Tangible fixed assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Freehold buildings	–	20 years
Plant and machinery	–	4 to 10 years
Fixtures and fittings	–	3 to 10 years

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the first-in first out method is used. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 December 2014

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leasing and hire purchase commitments

Costs in respect of operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease. Leasing and hire purchase agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the commitment is shown as obligations under finance leases and hire purchase agreements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding.

Pension costs

The company contributes to the individual personal pension schemes of its employees. The cost of these contributions is recognised in the year in which payments are made.

The company operates a defined benefit pension scheme which is now closed to new members and future accruals covering the majority of its employees up to 31 October 2006. The assets of the scheme are held independently of the company.

The regular service cost of providing retirement benefits to employees during the year is charged to operating profit in the year. The full cost of providing amendments to benefits in respect of past service is also charged to operating profit in the year.

Income representing the expected return on assets of the fund during the year is included within other finance income. This is based on the market value of the assets of the fund at the start of the financial year. A cost representing the interest on the liabilities of the fund during the year is also included within other finance income. This arises from the liabilities of the fund being one year closer to payment.

Differences between actual and expected returns on assets during the year are recognised in the statement of total recognised gains and losses in the year, together with differences arising from changes in assumptions underlying the present value of scheme liabilities and experience gains and losses arising on scheme liabilities.

2. Turnover

Turnover by destination for the year was as follows:

	2014	*2013*
	£000	*£000*
United Kingdom	15,067	12,449
Other EU	229	-
Rest of the world	1,104	863
	16,400	13,312

Notes to the financial statements

at 31 December 2014

3. Operating Profit

This is stated after charging/(crediting):

	2014	*2013*
	£000	*£000*
Auditors' remuneration		
Audit work	24	20
Non audit work – tax compliance	7	7
Depreciation of owned fixed assets	167	137
Rentals payable under operating leases	21	28
Loss/(gain) on disposal of assets	10	(94)

4. Directors' remuneration

	2014	*2013*
	£000	*£000*
Remuneration	60	59
Company contributions to defined contribution pension scheme	4	4
	64	63

Certain directors are remunerated for services to the Gnutti group and this company by the ultimate parent undertaking with no separate charge being made to the company.

5. Staff costs

The aggregate payroll costs of these persons, including directors, were as follows:

	2014	*2013*
	£000	*£000*
Wages and salaries	684	963
Social security costs	17	22
Other pension costs	13	42
	714	1,027

The average monthly number of employees during the year was made up as follows:

	No.	*No.*
Management and administration	7	6
Production and distribution	25	35
	32	41

Notes to the financial statements

at 31 December 2014

6. Interest payable and similar charges

	2014	*2013*
	£000	*£000*
Interest payable to group undertaking	53	78

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2014	*2013*
	£000	*£000*
Current tax:		
UK corporation tax on the profits for the year	112	–
Total current tax (note 7(b))	112	–
Deferred tax:		
Current year	364	198
Total deferred tax	364	198
Tax on charge on ordinary activities	476	198

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%). The differences are explained below:

	2014	*2013*
	£000	*£000*
Profit on ordinary activities before tax	2,344	1,182
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%)	504	245
Effects of:		
Expenses not deductible for tax purposes	-	2
Other timing differences	(16)	(3)
Capital allowances in advance of depreciation	(10)	10
Unrelieved tax losses carried forward	(301)	(184)
Pension cost relief in excess of pension cost charge	(65)	(70)
Current tax for the year (note 7(a))	112	–

Notes to the financial statements

at 31 December 2014

7. Tax (continued)

(c) Deferred Taxation provided in the financial statements is as follows:

	2014	*2013*
	£000	*£000*
Decelerated capital allowances	143	154
Tax losses carried forward	-	338
Other timing differences	40	55
Provision for deferred taxation	183	547
At 1 January 2014	547	745
Profit and loss account movement arising during the year	(364)	(198)
Amounts charged to statement of total recognised gains and losses	-	–
At 31 December 2014	183	547

(d) Factors that may affect future tax charges

The standard rate of corporation tax in the United Kingdom for the year is 21.50% (2013: 23.25%). The Finance Act 2013 received Royal Assent on 17 July 2013 and enacted a reduction in the main rate of corporation tax to 21% with effect from 1 April 2014 and a further reduction of 1% will be applied to bring the main rate of corporation tax to 20% from 1 April 2015. Deferred tax has therefore been provided at 20%

8. Tangible fixed assets

	Freehold land and building	*Plant and machinery*	*Fixtures and fittings*	*Total*
	£000	*£000*	*£000*	*£000*
Cost:				
At 1 January 2014	1,718	1,394	1,339	4,451
Additions	-	-	3	3
Disposals	-	(164)	(22)	(186)
At 31 December 2014	1,718	1,230	1,320	4,268
Depreciation:				
At 1 January 2014	1,431	1,344	1,258	4,033
Charge for the year	140	11	16	167
Disposals	-	(164)	(7)	(171)
At 31 December 2014	1571	1,191	1,267	4,029
Net book value:				
At 31 December 2014	147	39	53	239
At 1 January 2014	287	50	81	418

Notes to the financial statements

at 31 December 2014

9. Investments

	Subsidiary undertakings £000
Cost:	
At 1 January 2014 and 31 December 2014	1

The company holds a debenture issued by Kenwick Park Conference Centre.

10. Stocks

	2014 £000	*2013 £000*
Raw materials and consumables	474	525
Work in progress	927	1,056
Finished goods and goods for resale	105	70
	1,506	1,651

The difference between purchase price or production cost of stocks and their replacement cost is not material.

11. Debtors

	2014 £000	*2013 £000*
Trade debtors	2,674	3,551
Other debtors	29	34
Prepayments	26	37
Amounts due from group undertakings	1,466	1,638
Deferred Tax	183	547
	4,378	5,807

12. Creditors: amounts falling due within one year

	2014 £000	*2013 £000*
Trade creditors	484	518
Amounts owed to group undertakings	1,940	3,976
Other taxes and social security costs	128	23
Other creditors	854	1,204
Accruals and deferred income	13	292
	3,419	6,013

Notes to the financial statements

at 31 December 2014

13. Creditors: amounts falling due after more than one year

	2014	*2013*
	£000	*£000*
Amounts owed to group undertakings	2,040	2,217

14. Issued share capital

		2014		*2013*
Allotted, called up and fully paid	*No.*	*£000*	*No.*	*£000*
Ordinary shares of £1 each	619,150	619	619,150	619

15. Movements on reserves

	Share premium account	*Other reserves*	*Profit and loss account*
	£000	*£000*	*£000*
At 1 January 2014	3,281	1,500	(5,425)
Profit for the year	-	-	1,869
Actuarial loss on pension scheme	-	-	(300)
Movement on deferred tax relating to pension scheme	-	-	-
At 31 December 2014	3,281	1,500	(3,856)

Other reserves consist of a capital contribution received from Gnutti Powertrain Components AB, the company's immediate parent undertaking.

16. Reconciliation of shareholders' funds

	2014	*2013*
	£000	*£000*
Opening shareholders' funds	(25)	(709)
Profit for the year	1,869	984
Actuarial loss on pension scheme	(300)	(300)
Movement on deferred tax relating to pension scheme	-	-
Closing shareholders' funds	1,544	(25)

Notes to the financial statements

at 31 December 2014

17. Pensions

FRS17 disclosures

The most recent actuarial valuation of the company pension scheme was at 1 July 2013. The scheme closed to new members and future accruals as at 31 October 2006. The valuation of the scheme used the projected unit method and was carried out by independent, professionally qualified actuaries.

An actuarial estimate performed by independent qualified actuaries, based on the last full valuation as at 1 July 2013 updated to 31 December 2014 has been undertaken to provide the information required for FRS 17. The major assumptions used by the actuaries to calculate the Scheme liabilities under FRS17 are as follows:

	2014	*2013*
Rate of increase in pension payment	2.10%	2.40%
Discount rate	3.80%	4.50%
Retail price inflation assumption	3.10%	3.40%
Consumer price inflation assumption	2.10%	2.40%
Expected return on assets	N/a	5.20%
Life expectancy of a male age 65	22.4	21.6
Life expectancy at age 65 of a male aged 45	24.1	23.5
Life expectancy of a female age 65	24.6	24.2
Life expectancy at age 65 of a female aged 45	26.5	26.0

On 8 July 2010, the Government announced its intention to change the measure of price inflation for private sector schemes from the Retail Prices Index ('RPI') to the Consumer Prices Index ('CPI'). In light of this, the statutory revaluation orders published in January 2011 were based on CPI for the first time and the statutory minimum requirement for pension increases in payment has been linked to CPI rather than RPI.

Scheme assets are stated at their market value at the respective balance sheet dates. The market value applied is based on the current bid price as per the FRS 17 amendment which was subject to first year adoption for the year ended 31 December 2008. The assets in the scheme and the expected rate of return were:

	Gnutti Pension and Life Assurance scheme value at	
	2014	*2013*
	£000	*£000*
Equities	4,518	4,313
Bonds	8,709	6,934
Other	44	64
	13,271	11,311

Notes to the financial statements

at 31 December 2014

17. Pensions (continued)

FRS17 disclosures (continued)

The following amounts at the year end were measured in accordance with the requirements of FRS 17:

	Gnutti Pension and Life Assurance Scheme	
	2014	*2013*
	£000	*£000*
Total market value of assets	13,271	11,311
Present value of scheme liabilities	(12,574)	(11,278)
Surplus in scheme	697	33
Asset restriction	(697)	(33)
Related deferred tax asset	-	-
Net pension asset	-	-

Analysis of amount charged to operating profit:

	2014	*2013*
	£000	*£000*
Current service cost	-	-

Analysis of amount charged to other finance income:

	2014	*2013*
	£000	*£000*
Expected return on pension Scheme assets	588	496
Interest on pension Scheme liabilities	(500)	(470)
Asset restriction	(88)	(26)
Net charge	-	-

Analysis of statement of total recognised gains and losses (STRGL):

	2014	*2013*
	£000	*£000*
Actual return less expected return on pension scheme assets	1,392	42
Changes in assumptions underlying the present value of the Scheme liabilities	(1,116)	(512)
Asset restriction	(576)	170
Actuarial loss recognised in STRGL	(300)	(300)

Notes to the financial statements

at 31 December 2014

17. Pensions (continued)

Changes in the fair value of plan assets and analysed as follows:

	2014 £000	2013 £000
At 1 January	11,311	10,789
Expected return on plan assets	588	496
Actuarial gain arising on plan assets	1,392	42
Contribution by employer	300	300
Benefits paid	(320)	(316)
At 31 December	13,271	11,311

Changes in the present value of the defined benefit obligations are analysed as follows:

	2014 £000	2013 £000
At 1 January	11,278	10,612
Interest cost	500	470
Actuarial loss arising on plan liabilities	1,116	512
Benefits paid	(320)	(316)
At 31 December	12,574	11,278

The Company expects to contribute £212,500 to the scheme during the year ending 31 December 2015.

History of scheme movements

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Scheme liabilities	(12,574)	(11,278)	(10,612)	(10,207)	(10,400)
Scheme assets	13,271	11,311	10,789	10,105	9,130
Surplus in the scheme	697	33	177	(102)	(1,270)
Change in scheme liabilities	-	(79)	–	–	171
Change in scheme assets	1,392	42	203	341	393

The trustees of the scheme have powers under the trust deed to set the contribution rate payable by the company to the Scheme. They also have powers under certain circumstances to trigger a wind up of the Scheme and to transfer the pension obligations on a buy out basis to an insurer.

Notes to the financial statements

at 31 December 2014

18. Other financial commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below:

	2014	*2013*
	£000	*£000*
Operating leases which expire:		
Within one year	21	21
In two to five years	40	61
	61	82

19. Related party transactions

Under FRS 8 the company is exempt from the requirement to disclose details of transactions with its ultimate parent and group undertakings.

20. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Gnutti Carlo Holding Sweden AB, incorporated in Sweden.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Gnutti Carlo Holding Sweden AB, which is incorporated in Sweden. Copies of the group financial statements are available from Lasarettgatan 3, Box 103, 5-331 21 Varnamo, Sweden.

The parent undertaking and controlling party of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Gnutti Carlo SPA, a company incorporated in Italy. Copies of the group financial statements are available from Via Artigiani 2 – 25030, Maclodio (BS), Italy.