

Mathers Foundry Limited

Registered number: 06699179

Abbreviated accounts

For the year ended 31 March 2016

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MATHERS FOUNDRY LIMITED

COMPANY INFORMATION

Directors	P Agarwal K K Ganeriwala
Registered number	06699179
Registered office	Park Works Grimshaw Lane Newton Heath Manchester M40 2BA
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor The Lexicon Mount Street Manchester M2 5NT
Bankers	Barclays Bank Plc 15 Colmore Row Birmingham B3 2EP

MATHERS FOUNDRY LIMITED

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MATHERS FOUNDRY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

Introduction

The principal activity of the company is the production and machining of castings in high grade stainless steels such as Super Duplex, Duplex and other grades including Zeron ® for which the company is the exclusive worldwide producer.

Business review

The company is a wholly-owned subsidiary of WPIL International Pte Limited, a company which is incorporated in Singapore. The ultimate parent undertaking is WPIL Limited, a company incorporated in India. WPIL Limited is one of the leading pump manufacturers in India and is listed on the Mumbai Stock Exchange.

The results for the year can be summarised as follows:

	31 March 2016 £	31 March 2015 £
Turnover	6,173,889	9,634,400
(Loss) before depreciation, interest and exceptional expenses	(1,892,229)	(252,437)
Depreciation	(256,801)	(266,380)
Interest	(241,092)	(211,299)
Exceptional redundancy expenses	(339,823)	-
(Loss) before tax	(2,729,945)	(730,116)

Total sales reduced by 36% compared to the previous year due to a continued downturn in the UK and worldwide market for castings especially in the oil and gas industries which form the major part of the company's activities. Whilst these markets continue to remain challenging, the directors maintain the view that this is a temporary situation caused by unsustainably low prices in the energy commodity markets which has led to delays in major exploration projects and oil and gas field investment. Since the year end, there has been an encouraging rise in oil commodity prices which should lead to an intake in orders as project work is recommenced.

The company has succeeded in securing a number of new customers in the marine application markets and it is hoped that this will complement the company's existing customer base and enable a return to profitability, once investment in the oil and gas industries returns to former levels.

In the first quarter of 2016, the directors initiated a major restructuring exercise and made a number of redundancies in both direct and indirect staff. The costs of the redundancies are shown in the table above. The directors believe that the cost cutting exercise brings wage costs more in line with current activity levels so that the company is better placed to take advantage of the anticipated upturn in sales activity.

Principal risks and uncertainties

The management continually monitors the key risks facing the business as well as assessing the controls used for managing these risks.

The principal risks and uncertainties facing the company are as follows:

Demand for the company's products

As well as the proprietary Zeron stainless steel alloys, the company can supply castings in a large range of other metals to suit the end user and its ultimate application. The castings are supplied to a variety of companies in power generation, offshore and onshore oil and gas, nuclear industries as well as for general engineering use. These industries are all subject to their own fluctuations in activity and this can have a significant knock on effect on the demand for the company's products. The management is continually monitoring the demand for the products in each of these markets in order to react to the market pressures.

MATHERS FOUNDRY LIMITED

Strategic report (continued)

Reliance on key customers

There is a relatively small core group of customers for the company's products but the company is not reliant on any single customer. Management is keen to prevent any over reliance on any single or group of customers and is always seeking to diversify the range of customers by expanding the number of customers supplied in both the home and export markets.

Competitor pressure

The company operates in a very competitive market and is always subject to price pressures when quoting for sales orders. However, despite these pressures, management seeks to avoid taking on contracts at low prices in order to generate work in the foundry.

Reliance on key suppliers

The market for the supply of metals and consumables in the foundry business is very competitive and diverse. There is no reliance on any single supplier for the purchase of metals and in order to prevent such a dependency, the company actively manages purchases by buying from a wide range of suppliers for such products.

Financial key performance indicators

Management monitor the performance of the operations of the company compared to budget and forecast.

KPI's monitored on a daily/weekly basis are:

- Production volume and value;
- Sales volume and value;
- Order intake and levels of enquiries;
- Cash headroom; and
- Health and safety performance.

KPI's monitored monthly are the above, and:

- Margin and cash generation;
- Debtor, creditor and stock days;
- Quality (scrap rate);
- On time delivery performance; and
- Overtime and absenteeism rates.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The company is not significantly exposed to the financial risks of the foreign currency exchange rates.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables. The company's credit risk is primarily attributed to trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance is made where there is an identifiable loss event which, based on previous experience, is evidence of a reduction in their recoverability of cash flows. The company has no significant concentration of credit risk, with exposure spread over a large number of customers.

MATHERS FOUNDRY LIMITED

Strategic report (continued)

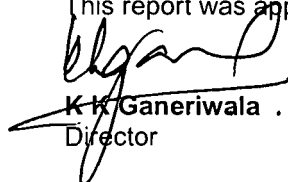
Liquidity risk

The company has funded and intends to continue funding its ongoing operations and future developments through a combination of cash generated from operating activities and where necessary from the parent undertaking.

Price risk

The company is exposed to commodity risk. The company does manage its exposure to commodity price risk where it is considered financially appropriate, presently this is only in respect of metal and energy purchasing.

This report was approved by the board on *6th May 2016* and signed on its behalf.


K K Ganeriwala
Director

MATHERS FOUNDRY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless 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 accounting estimates that are reasonable and prudent; 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.

Results and dividends

The loss for the year, after taxation, amounted to £2,655,702 (2015 - loss £723,036).

No dividends were paid or declared in the year to 31 March 2016 (2015: £Nil).

Directors

The directors who served during the year were:

P Agarwal
K K Ganeriwala

Future developments

The company is exploring new markets for its products to increase sales. In addition the metal refining capability is being offered to third parties in the industry.

MATHERS FOUNDRY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *6th May 2016* and signed on its behalf.


K. K. Ganeriwala
Director

MATHERS FOUNDRY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MATHERS FOUNDRY LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on page 7 to 24 together with the financial statements of Mathers Foundry Limited for the year ended 31 March 2016 prepared under section 396 of the Companies Act 2006.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006.

It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you. This report, including our opinion, has been prepared for and only for the Company's members as a body. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in this 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 work, for this report, or for the opinions we have formed.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the Company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

The scope of our work for the purpose of this report does not include examining events occurring after the date of our Auditor's Report on the full financial statements.

Opinion

In our opinion the Company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Neil Barton (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date: 6 May 2016.

MATHERS FOUNDRY LIMITED

ABBREVIATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
Turnover		6,173,889	9,634,400
Cost of sales		(6,443,973)	(8,070,658)
Gross (loss)/profit		(270,084)	1,563,742
Administrative expenses		(1,878,946)	(2,082,559)
Exceptional administrative expenses		(339,823)	-
Total administrative expenses		(2,128,769)	(2,082,559)
Operating loss		(2,488,853)	(518,817)
Interest payable and expenses	6	(241,092)	(211,299)
Loss before tax		(2,729,945)	(730,116)
Tax on loss	7	74,243	7,080
Loss for the year		<u>(2,655,702)</u>	<u>(723,036)</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>(2,655,702)</u>	<u>(723,036)</u>

The notes on pages 9 to 24 form part of these financial statements.

MATHERS FOUNDRY LIMITED

Registered number: 06699179

**ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2016**

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	4,792,695	5,020,602
Investments		1	1
		<u>4,792,696</u>	<u>5,020,603</u>
Current assets			
Stocks	9	1,338,722	1,508,470
Debtors		1,602,410	2,146,243
Cash at bank and in hand	10	85,817	472,419
		<u>3,026,949</u>	<u>4,127,132</u>
Creditors: amounts falling due within one year	11	(1,401,074)	(2,042,044)
Net current assets		<u>1,625,875</u>	<u>2,085,088</u>
Total assets less current liabilities		<u>6,418,571</u>	<u>7,105,691</u>
Creditors: amounts falling due after more than one year	12	(7,014,308)	(4,971,483)
Provisions for liabilities			
Deferred tax		(608,085)	(682,328)
		<u>(608,085)</u>	<u>(682,328)</u>
Net (liabilities)/assets		<u>(1,203,822)</u>	<u>1,451,880</u>
Capital and reserves			
Called up share capital	17	500,000	500,000
Revaluation reserve	18	2,887,046	2,837,821
Profit and loss account	18	(4,590,868)	(1,885,941)
		<u>(1,203,822)</u>	<u>1,451,880</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on *6th May 2016*.


K/K Ganeriwala
Director

The notes on pages 9 to 24 form part of these financial statements.

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies

1.1 General information

Mathers Foundry Limited ('the company') is a limited company incorporated in England and Wales. The address of its registered office and principal place of business is:

Park Works
Grimshaw Lane
Newton Heath
Manchester
M40 2BA

The company is a wholly-owned subsidiary of WPIL International Pte Limited, a company which is incorporated in Singapore. The ultimate parent undertaking is WPIL Limited, a company incorporated in India.

The principal activity of the company is is the production and machining of castings in high grade stainless steels such as Super Duplex, Duplex and other grades including Zeron ® for which the company is the exclusive worldwide producer.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical costs convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 21.

These financial statements have been presented in pound sterling which is the functional currency of the Company.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 Transition to FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'

In preparing these financial statements the Company has taken advantage of disclosure exemptions, as permitted by FRS 102 paragraph 1.12 not to prepare a cash flow statement. This is due to the fact that the company forms part of the consolidated financial statements of its ultimate parent company WPIL Limited. These consolidated financial statements may be obtained from the WPIL website, www.wpil.co.in

1.4 Going concern

The use of the going concern basis of accounting has been deemed appropriate. The directors are not aware of any material uncertainties or events that may cast significant doubt on the ability of the company to continue as a going concern. Should it be required, management have the support of the ultimate parent company to ensure that liabilities can be met as they fall due.

The directors have rationalised costs and are anticipating an upturn in the market place which will yield a larger order book in the future.

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies (continued)

1.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Freehold land	-	No depreciation
Freehold buildings	-	25 - 50 years
Plant & machinery	-	4 - 20 years
Motor vehicles	-	4 years
Fixtures and fittings	-	4 - 20 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

1.7 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies (continued)

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a standard cost basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies (continued)

1.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

1.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.15 Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies (continued)

1.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

1.18 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

1.19 Provisions for Liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies (continued)

1.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for reserves and expenses during the year. However, the nature of the estimation means that the actual outcomes could differ from the estimates. The directors believe that the critical accounting policies where judgments or estimates are necessarily applied are stock valuations and the expected useful lives of tangible fixed assets.

Valuation of stock and work in progress

Raw materials held at the year-end are valued using the most recent purchase invoice.

Work in progress is calculated as a percentage of the total cost. The percentage applied depends on which part of the process the item of work in progress is up to.

Other key sources of estimation uncertainty

Tangible fixed assets

Tangible fixed assets, other than freehold land, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

3. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	254,606	256,518
Depreciation of assets held under finance lease	2,195	9,862
Operating lease expenses	67,100	59,024
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	13,600	13,300
Exchange differences	54,835	77,801
Defined contribution pension cost	79,757	82,426
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2015 - £NIL).

4. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	13,600	13,300
	<u>13,600</u>	<u>13,300</u>
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	2,000	1,950
Financial statement preparation including FRS102 conversion	4,000	1,500
	<u>6,000</u>	<u>3,450</u>

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

5. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,506,860	2,912,252
Social security costs	209,970	259,462
Cost of defined contribution scheme	79,757	82,426
	<u>2,796,587</u>	<u>3,254,140</u>

Included within Wages and salaries are redundancy costs of £326,023 (2015: £Nil).

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Production staff	78	88
Office and management	26	29
	<u>104</u>	<u>117</u>

6. Interest payable and similar charges

	2016 £	2015 £
Loans from group undertakings	240,437	209,803
Finance leases and hire purchase contracts	655	1,496
	<u>241,092</u>	<u>211,299</u>

7. Taxation

	2016 £	2015 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Revaluation of freehold land and building	(74,243)	(7,080)
Total deferred tax	<u>(74,243)</u>	<u>(7,080)</u>
Taxation on loss on ordinary activities	<u>(74,243)</u>	<u>(7,080)</u>

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	(2,729,945)	(730,116)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	(545,989)	(153,324)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	239	593
Capital allowances for year in excess of depreciation	6,410	(15,930)
Other change leading to an increase in the tax charge	44	6,949
Unrelieved tax losses carried forward	539,296	161,712
Deferred tax on freehold land and buildings	(74,243)	(7,080)
Total tax charge for the year	(74,243)	(7,080)

Factors that may affect future tax charges

The company has losses of £5,494,026 (2015: £3,013,234) to carry forward and offset against future trading profits.

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

8. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 April 2015	3,921,300	4,869,794	2,900	616,459	9,410,453
Additions	-	21,625	-	7,269	28,894
At 31 March 2016	3,921,300	4,891,419	2,900	623,728	9,439,347
Depreciation					
At 1 April 2015	114,486	3,756,447	731	518,187	4,389,851
Charge owned for the period	32,051	200,222	731	23,797	256,801
At 31 March 2016	146,537	3,956,669	1,462	541,984	4,646,652
At 31 March 2016	3,774,763	934,750	1,438	81,744	4,792,695
At 31 March 2015	3,806,814	1,113,347	2,169	98,272	5,020,602

At the date of transition to FRS 102, the revalued freehold property has been valued at deemed cost as a result of a previous GAAP revaluation in accordance with section 35 of FRS102.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Plant and machinery	16,828	60,550
	16,828	60,550

9. Stocks

	2016 £	2015 £
Raw materials and consumables	700,681	699,991
Work in progress	638,041	808,479
	1,338,722	1,508,470

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

10. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	85,817	472,419
	<u>85,817</u>	<u>472,419</u>

11. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts due to parent company	-	801,912
Trade creditors	1,049,902	926,905
Taxation and social security	105,511	67,879
Obligations under finance lease and hire purchase contracts	4,524	13,682
Other creditors	14,536	14,171
Accruals and deferred income	226,601	217,495
	<u>1,401,074</u>	<u>2,042,044</u>

12. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Other loans	7,014,308	4,966,959
Net obligations under finance leases and hire purchase contracts	-	4,524
	<u>7,014,308</u>	<u>4,971,483</u>

13. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Other loans	-	801,912
	<u>-</u>	<u>801,912</u>
Amounts falling due 1-2 years		
Other loans	7,014,308	4,966,959
	<u>7,014,308</u>	<u>4,966,959</u>

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

14. Hire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	4,524	13,682
Between 1-2 years	-	4,524
	<u>4,524</u>	<u>18,206</u>

15. Financial instruments

	2016 £	2015 £
Financial assets		
Debtors due within 1 year	<u>1,502,065</u>	<u>2,056,386</u>
	<u>1,502,065</u>	<u>2,056,386</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(8,294,270)</u>	<u>(6,916,555)</u>
	<u>(8,294,270)</u>	<u>(6,916,555)</u>

Financial assets measured at amortised cost comprise trade and other receivables.

Financial Liabilities measured at amortised cost comprise trade and other payables.

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

16. Deferred taxation

	Deferred tax £
At 1 April 2015	(682,328)
Charged to other comprehensive income	74,243
At 31 March 2016	<u><u>(608,085)</u></u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Revaluation of Freehold land and buildings	(608,085)	(682,328)
	<u><u>(608,085)</u></u>	<u><u>(682,328)</u></u>

17. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
500,000 Ordinary shares shares of £1 each	<u><u>500,000</u></u>	<u><u>500,000</u></u>

18. Reserves

Revaluation reserve

This reserve represents the pre FRS 102 cumulative revaluation gains and losses on revaluation of Land and buildings held as tangible assets.

Profit & loss account

This reserve represents cumulative profits and losses.

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

19. Commitments under operating leases

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	99,972	98,255
Later than 1 year and not later than 5 years	132,386	184,278
Total	232,358	282,533

20. Controlling party

The immediate parent undertaking is WPIL International Pte Limited, a company incorporated in Singapore.

The company's ultimate parent undertaking is WPIL Limited, a company incorporated in India and which is listed on the Mumbai Stock Exchange.

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

21. First time adoption of FRS 102

	Note	As previously stated 1 April 2014 £	Effect of transition 1 April 2014 £	FRS 102 (as restated) 1 April 2014 £	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
Fixed assets		5,240,145	-	5,240,145	5,020,603	-	5,020,603
Current assets		5,351,877	-	5,351,877	4,127,131	-	4,127,131
Creditors: amounts falling due within one year		(2,842,532)	-	(2,842,532)	(2,042,043)	-	(2,042,043)
Net current assets		2,509,345	-	2,509,345	2,085,088	-	2,085,088
Total assets less current liabilities		7,749,490	-	7,749,490	7,105,691	-	7,105,691
Creditors: amounts falling due after more than one year		(4,885,165)	-	(4,885,165)	(4,971,483)	-	(4,971,483)
Provisions for liabilities		-	(689,408)	(689,408)	-	(682,328)	(682,328)
Net assets		2,864,325	(689,408)	2,174,917	2,134,208	(682,328)	1,451,880
Capital and reserves		2,864,325	(689,408)	2,174,917	2,134,208	(682,328)	1,451,880

MATHERS FOUNDRY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

21. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
Turnover		9,634,400	-	9,634,400
Cost of sales		(8,070,658)	-	(8,070,658)
		<hr/>	<hr/>	<hr/>
		1,563,742	-	1,563,742
Administrative expenses		(2,082,559)	-	(2,082,559)
		<hr/>	<hr/>	<hr/>
Operating profit		(518,817)	-	(518,817)
Interest payable and similar charges		(211,299)	-	(211,299)
Taxation		-	7,080	7,080
		<hr/>	<hr/>	<hr/>
Loss on ordinary activities after taxation and for the financial year		<u>(730,116)</u>	<u>7,080</u>	<u>(723,036)</u>

Explanation of changes to previously reported profit and equity:

1 Deferred tax on revaluation of freehold land and property

The transitional adjustment relates to the recognition of deferred tax on the revalued freehold land and buildings transferred over at the date of transition on 1 April 2014. This adjustment has resulted in a decrease in the opening revaluation reserve of the company at 1 April 2014 of £689,408. The release of the deferred tax in the subsequent years has resulted in a £7,080 transition effect in the 2015 Statement of Comprehensive Income and a £74,243 in the current year Statement of Comprehensive Income.