

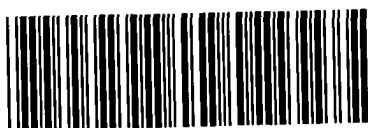
Mathers Foundry Limited

Registered number: 06699179

Annual report and financial statements

For the year ended 31 March 2018

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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 One St. Peter's Square Manchester M2 3DE |
| 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 2018

Introduction

The principal activity of the company was 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.

During July 2017 a decision was formalised to cease trading activity and reassess strategic options following a period of losses. For the year ended 31 March 2018 a number of assets have been written down to their expected realisable value and most employees made redundant. The ultimate parent company has continued to provide support to meet liabilities as they fall due and options, including re-commencing production remain under consideration.

Business review

The company is a wholly-owned subsidiary of Aturia International Pte Limited (formerly 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 2018 | 31 March 2017 |
|---|---------------|---------------|
| | £ | £ |
| Turnover | 1,699,866 | 5,155,854 |
| (Loss) before depreciation, interest and exceptional expenses | (1,658,123) | (1,812,344) |
| Depreciation | (239,936) | (249,558) |
| Interest | Nil | (302,195) |
| Exceptional redundancy expenses | (889,005) | (28,890) |
| (Loss) before tax | (2,787,064) | (2,392,987) |

As noted above the company has currently ceased operations which has resulted in reduced turnover and further losses being incurred.

The ultimate parent company has provided substantial funding during the year and since the year end in order to meet liabilities as they fall due. The parent company has agreed to continue to support and finance the company until a decision is made on the future strategy.

Principal risks and uncertainties

The management continually monitored 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 were demand for the company's products, reliance on key customers, competitor pressure and reliance on key suppliers. None of these are currently relevant as the company is not trading until longer term options are fully assessed.

Going concern

The ultimate parent has indicated a willingness to support the company for at least 12 months from the signing of the financial statements, but in the longer term the company must recommence profitable trading activities for it to continue to be a going concern. Should the financial support of the ultimate parent be withdrawn then the company would not be a going concern.

MATHERS FOUNDRY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

This report was approved by the board on

9th May 2018

and signed on its behalf.


K K Ganeriwala
Director

MATHERS FOUNDRY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

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 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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 £2,787,065 (2017 - loss £2,353,545).

No dividends were paid or declared in the year to 31 March 2018 (2017: £Nil).

Directors

The directors who served during the year were:

P Agarwal
K K Ganeriwala

Future developments

The company is exploring all strategic markets for the future including the recommencement of trade but is yet to make a final decision until all relevant factors are fully considered.

MATHERS FOUNDRY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

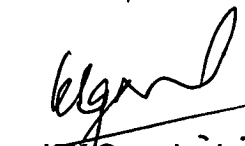
Post balance sheet events

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

Auditor

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 *9th May 2018* and signed on its behalf.


K K Ganeriwala
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MATHERS FOUNDRY LIMITED

Opinion

We have audited the financial statements of Mathers Foundry Limited (the 'Company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of the audit report

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

MATHERS FOUNDRY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MATHERS FOUNDRY LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

MATHERS FOUNDRY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MATHERS FOUNDRY LIMITED

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Neil Barton (Senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor and

One St. Peter's Square
Manchester
M2 3DE

Date: 9 May 2018

MATHERS FOUNDRY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

| | Note | 2018 £ | 2017 £ |
|-------------------------------------|------|--------------------|--------------------|
| Turnover | 3 | 1,699,866 | 5,155,854 |
| Cost of sales | | (2,816,805) | (5,638,164) |
| Gross loss | | (1,116,939) | (482,310) |
| Administrative expenses | | (781,121) | (1,579,592) |
| Exceptional administrative expenses | 7 | (889,005) | (28,890) |
| Operating loss | 4 | (2,787,065) | (2,090,792) |
| Interest payable and expenses | 8 | - | (302,195) |
| Loss before tax | | (2,787,065) | (2,392,987) |
| Tax on loss | 9 | - | 39,442 |
| Loss for the year | | (2,787,065) | (2,353,545) |

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017: £NIL).

The notes on pages 11 to 26 form part of these financial statements.

BALANCE SHEET
AS AT 31 MARCH 2018

| | Note | 2018 £ | 2017 £ |
|---|------|--------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 4,307,773 | 4,543,137 |
| Investments | 11 | - | 1 |
| | | <u>4,307,773</u> | <u>4,543,138</u> |
| Current assets | | | |
| Stocks | 12 | - | 1,295,415 |
| Debtors: amounts falling due within one year | 13 | - | 1,073,404 |
| Cash at bank and in hand | 14 | 44,401 | 54,043 |
| | | <u>44,401</u> | <u>2,422,862</u> |
| Creditors: amounts falling due within one year | 15 | (475,604) | (1,488,365) |
| Net current (liabilities)/assets | | <u>(431,203)</u> | <u>934,497</u> |
| Total assets less current liabilities | | <u>3,876,570</u> | <u>5,477,635</u> |
| Creditors: amounts falling due after more than one year | 16 | (6,652,359) | (5,466,359) |
| Provisions for liabilities | | | |
| Deferred tax | 19 | (568,643) | (568,643) |
| | | <u>(568,643)</u> | <u>(568,643)</u> |
| Net assets | | <u>(3,344,432)</u> | <u>(557,367)</u> |
| Capital and reserves | | | |
| Called up share capital | 20 | 3,500,000 | 3,500,000 |
| Revaluation reserve | 21 | 2,887,046 | 2,887,046 |
| Profit and loss account | 21 | (9,731,478) | (6,944,413) |
| | | <u>(3,344,432)</u> | <u>(557,367)</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


K K Ganeriwala
 Director

The notes on pages 11 to 26 form part of these financial statements.

MATHERS FOUNDRY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

| | Called up share capital £ | Revaluation reserve £ | Profit and loss account £ | Total equity £ |
|---|---------------------------------|-----------------------------|---------------------------------|-------------------|
| At 1 April 2016 | 500,000 | 2,887,046 | (4,590,868) | (1,203,822) |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (2,353,545) | (2,353,545) |
| Contributions by and distributions to owners | | | | |
| Shares issued during the year | 3,000,000 | - | - | 3,000,000 |
| At 1 April 2017 | 3,500,000 | 2,887,046 | (6,944,413) | (557,367) |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (2,787,065) | (2,787,065) |
| At 31 March 2018 | 3,500,000 | 2,887,046 | (9,731,478) | (3,344,432) |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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 Aturia International Pte Limited (formerly 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 was 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. In July 2017 the company ceased to trade as outlined further within the Strategic Report.

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.

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 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of WPIL Limited as at 31 March 2018 and these financial statements may be obtained from www.wpil.co.in.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies (continued)**1.4 Going concern**

The use of the going concern basis of accounting has been deemed appropriate. The ultimate parent company has made the decision to currently cease trade whilst all strategic options are considered. Until a final decision is made on the future of the company, including whether trade recommences, the ultimate parent will provide support to meet liabilities as they fall due.

1.5 Revenue recognition

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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies (continued)

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: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

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 instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, 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 debtors and creditors, 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 the 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies (continued)

1.11 Financial instruments (continued)

reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies (continued)

1.15 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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 payment 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 Statement of Comprehensive Income 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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 charge 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 tax 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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 and bad debt provisions and the expected useful lives of tangible fixed assets.

Stock provision

The company ceased to trade in July 2017. All remaining stock at the year end has been written down to nil due to there being nothing remaining or realisable value.

Debtors provision

The company ceased to trade in July 2017. All trade debtors that remain unpaid at the balance sheet date have been provided for, although attempts remain ongoing to reclaim valid amounts outstanding.

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.

As a final decision has yet to be made on the future of the company the assets continue to be depreciated in line with the accounting policy. The Directors have obtained support to demonstrate that at least the carrying values will be fully recoverable.

3. Turnover

Analysis of turnover by country of destination:

| | 2018 £ | 2017 £ |
|-------------------|------------------|------------------|
| United Kingdom | 1,300,571 | 3,937,612 |
| Rest of Europe | 231,936 | 441,374 |
| Rest of the world | 167,359 | 776,868 |
| | <u>1,699,866</u> | <u>5,155,854</u> |

MATHERS FOUNDRY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

4. Operating loss

The operating loss is stated after charging:

| | 2018 | 2017 |
|---|-------------------|-------------------|
| | £ | £ |
| Depreciation of tangible fixed assets | 239,936 | 249,558 |
| Operating lease expenses | 44,418 | 61,446 |
| Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts | 15,000 | 14,000 |
| Exchange differences | (3,482) | (12,781) |
| Defined contribution pension cost | 17,978 | 55,238 |
| | <u> </u> | <u> </u> |

5. Auditor's remuneration

| | 2018 | 2017 |
|---|---------------|---------------|
| | £ | £ |
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts | 15,000 | 14,000 |
| | <u>15,000</u> | <u>14,000</u> |
| Fees payable to the Company's auditor and its associates in respect of: | | |
| Taxation compliance services | 2,000 | 2,050 |
| Financial statement preparation including FRS102 conversion | - | 1,650 |
| | <u>2,000</u> | <u>3,700</u> |

MATHERS FOUNDRY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

6. Employees

Staff costs were as follows:

| | 2018 £ | 2017 £ |
|-------------------------------------|-------------------------|-------------------------|
| Wages and salaries | 595,719 | 1,959,115 |
| Social security costs | 51,843 | 161,763 |
| Cost of defined contribution scheme | 17,978 | 55,238 |
| | <u>665,540</u> | <u>2,176,116</u> |

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

| | 2018 No. | 2017 No. |
|-----------------------|---------------------------|---------------------------|
| Production staff | 18 | 60 |
| Office and management | 6 | 20 |
| | <u>24</u> | <u>80</u> |

7. Exceptional administrative expenses

During the year there were redundancy costs of £889,005 resulting from the restructuring of the company (2017: £28,890).

8. Interest payable and similar charges

| | 2018 £ | 2017 £ |
|--|-------------------------|-------------------------|
| Loans from group undertakings | - | 302,051 |
| Finance leases and hire purchase contracts | - | 144 |
| | <u>-</u> | <u>302,195</u> |

MATHERS FOUNDRY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Taxation

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Total current tax | - | - |
| Deferred tax | | |
| Revaluation of freehold land and building | - | (39,442) |
| Total deferred tax | - | (39,442) |
| Taxation on profit/(loss) on ordinary activities | - | (39,442) |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

| | 2018 £ | 2017 £ |
|--|-------------|-------------|
| Profit on ordinary activities before tax | (2,787,065) | (2,392,987) |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%) | (529,542) | (478,597) |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | - | 171 |
| Capital allowances for year in excess of depreciation | 35,885 | 39,289 |
| Qualifying charitable donations | - | 5 |
| Short term timing difference leading to an increase (decrease) in taxation | 22,747 | 122,623 |
| Unrelieved tax losses carried forward | 470,910 | 316,509 |
| Deferred tax on freehold land and buildings | - | (39,442) |
| Total tax charge for the year | - | (39,442) |

Factors that may affect future tax charges

The company has tax losses of £10,678,199 (2017: £7,908,143) to carry forward and offset against future trading profits. However, no deferred tax asset is recognised in the current year or prior year.

MATHERS FOUNDRY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

10. Tangible fixed assets

| | Freehold property £ | Plant & machinery £ | Motor vehicles £ | Fixtures & fittings £ | Total £ |
|--|---------------------------|---------------------------|------------------------|-----------------------------|------------------|
| Cost or valuation | | | | | |
| At 1 April 2017 | 3,921,300 | 4,891,419 | 2,900 | 623,728 | 9,439,347 |
| Additions | 5,022 | - | - | - | 5,022 |
| Disposals | - | - | (2,900) | - | (2,900) |
| At 31 March 2018 | <u>3,926,322</u> | <u>4,891,419</u> | <u>-</u> | <u>623,728</u> | <u>9,441,469</u> |
| Depreciation | | | | | |
| At 1 April 2017 | 178,589 | 4,151,105 | 2,193 | 564,323 | 4,896,210 |
| Charge for the year on owned assets | 32,220 | 188,325 | 257 | 19,134 | 239,936 |
| Disposals | - | - | (2,450) | - | (2,450) |
| At 31 March 2018 | <u>210,809</u> | <u>4,339,430</u> | <u>-</u> | <u>583,457</u> | <u>5,133,696</u> |
| Net book value | | | | | |
| At 31 March 2018 | <u>3,715,513</u> | <u>551,989</u> | <u>-</u> | <u>40,271</u> | <u>4,307,773</u> |
| At 31 March 2017 | <u>3,742,711</u> | <u>740,314</u> | <u>707</u> | <u>59,405</u> | <u>4,543,137</u> |

MATHERS FOUNDRY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. Fixed asset investments

| | Investments in subsidiary companies £ |
|--------------------------|---|
| Cost or valuation | |
| At 1 April 2017 | 1 |
| At 31 March 2018 | 1 |
| Impairment | |
| Charge for the period | 1 |
| At 31 March 2018 | 1 |
| At 31 March 2018 | - |
| At 31 March 2017 | 1 |

12. Stocks

| | 2018 £ | 2017 £ |
|-------------------------------|-----------|-----------|
| Raw materials and consumables | - | 590,614 |
| Work in progress | - | 704,801 |
| | - | 1,295,415 |

Stock recognised in cost of sales during the year as an expense was £1,484,372 (2017: £2,133,449).

An impairment loss of £305,458 (2017: £nil) was recognised in cost of sales against stock during the year due to slow moving and obsolete stock.

MATHERS FOUNDRY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

13. Debtors

| | 2018 £ | 2017 £ |
|--------------------------------|-------------------------|-------------------------|
| Trade debtors | - | 970,163 |
| Other debtors | - | 33,470 |
| Prepayments and accrued income | - | 69,771 |
| | <u>-</u> | <u>1,073,404</u> |

14. Cash and cash equivalents

| | 2018 £ | 2017 £ |
|--------------------------|-------------------------|-------------------------|
| Cash at bank and in hand | 44,401 | 54,043 |
| | <u>44,401</u> | <u>54,043</u> |

15. Creditors: Amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------|-------------------------|-------------------------|
| Trade creditors | 262,069 | 1,235,874 |
| Taxation and social security | 211,249 | 84,613 |
| Other creditors | - | 14,845 |
| Accruals and deferred income | 2,286 | 153,033 |
| | <u>475,604</u> | <u>1,488,365</u> |

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

| | 2018 £ | 2017 £ |
|-------------|-------------------------|-------------------------|
| Other loans | 6,652,359 | 5,466,359 |
| | <u>6,652,359</u> | <u>5,466,359</u> |

MATHERS FOUNDRY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

17. Loans

Analysis of the maturity of loans is given below:

| | 2018 £ | 2017 £ |
|--------------------------------------|------------------|------------------|
| Amounts falling due 1-2 years | | |
| Other loans | 6,652,359 | 5,466,359 |
| | <u>6,652,359</u> | <u>5,466,359</u> |

Whilst there is no formal loan agreement in place the lender (ultimate parent company) has confirmed that they will not seek repayment for at least 1 year, therefore the balance has been disclosed as being a non current liability.

18. Financial instruments

| | 2018 £ | 2017 £ |
|--|--------------------|--------------------|
| Financial assets | | |
| Debtors due within 1 year | - | 1,003,633 |
| | <u>-</u> | <u>1,003,633</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | (6,916,714) | (6,870,111) |
| | <u>(6,916,714)</u> | <u>(6,870,111)</u> |

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

Financial liabilities measured at amortised cost comprise trade and other creditors, accruals and other loans.

MATHERS FOUNDRY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. Deferred taxation

| | 2018 £ |
|---------------------------------------|-------------------|
| At beginning of year | (568,643) |
| Charged to other comprehensive income | - |
| At end of year | (568,643) |

The provision for deferred taxation is made up as follows:

| | 2018 £ | 2017 £ |
|--|-------------------|-------------------|
| Revaluation of freehold land and buildings | (568,643) | (568,643) |
| | <u>(568,643)</u> | <u>(568,643)</u> |

20. Share capital

| | 2018 £ | 2017 £ |
|---|-------------------|-------------------|
| Allotted, called up and fully paid | | |
| 3,500,000 Ordinary shares of £1 each | 3,500,000 | 3,500,000 |

21. 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.

22. Contingent liabilities

At 31 March 2018, the company's assets have been given as security to a bank in Singapore which provided finance to the holding company in respect of the acquisition of the company.

MATHERS FOUNDRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

23. Pension commitments

The company operates a defined contribution pension scheme in respect of the employees of the company. The scheme and its assets are held by independent managers. The pension contributions cost to the company in the year amounted to £17,978 (2017: £55,238). The pension contributions outstanding at 31 March 2018 within other creditors amounted to £Nil (2017: £10,480).

24. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2018 £ | 2017 £ |
|--|-----------|----------------|
| Not later than 1 year | - | 82,092 |
| Later than 1 year and not later than 5 years | - | 85,687 |
| Total | - | 167,779 |

25. Related party transactions

The Company is owned by Aturia International Pte Limited (formerly WPIL International Pte Limited), a company incorporated in Singapore which is a subsidiary of WPIL Limited, a company incorporated in India.

As at 31 March 2018, the company owed Aturia International Pte Limited £6,652,359 (2017: £5,466,359) in respect of a long term loan.

During the year, the company was charged interest by Aturia International Pte Limited, the immediate parent company, amounting to £Nil (2017: £302,051). At the year end this remains unpaid. During the year, £Nil (2017: £3,000,000) of loan capital was converted to equity. A cumulative interest amount of £1,344,400 (2016: £1,344,400) has been included within Other loans (note 16).

Key management personnel are deemed to be the directors who did not receive any remuneration in the current or prior year.

26. Controlling party

The immediate parent undertaking is Aturia International Pte Ltd (formerly 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.