

IONIX SYSTEMS LIMITED

**Annual Report and Financial
Statements**

For the year ended 31 December 2016



REPORT AND FINANCIAL STATEMENTS 2016

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R A Norwitt
C A Lampo

COMPANY SECRETARY

Abogado Nominees Limited
Lance Edward D'Amico (appointed 6 September 2016)

REGISTERED OFFICE

Prospect House
Taylor Business Park
Risley
Warrington
WA3 6HP

BANKERS

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds
LS1 2AL
United Kingdom

STRATEGIC REPORT**PRINCIPAL ACTIVITIES**

The principal activities of the company are that of a specialist designer and manufacturer of wiring harness and woven systems, providing interconnection solutions for aerospace, defence, power generation and other high-performance engineering sectors.

BUSINESS REVIEW

During the 12-month period to 31st December 2016, the Company has increased in its sales volume within the Commercial Aerospace market by securing existing and new contracts with its main customers. This has led to sales of £18.6m in 2016, compared to £17.4m during the same period in 2015, a 6.5% growth. The Company's efforts to focus on increasing its profits have been rewarded, as operating profit increased to £3.1m in 2016, from £2.3m in 2015, despite an FX loss of £0.3m in 2016. Most importantly, the Company has accomplished these impressive results despite an increased level of uncertainty that has emerged in the world's economies throughout the course of 2016. These results have led to the net assets of the Company increasing from £3.8m in 2015 to £6.4m in 2016. The above metrics represent the key performance indicators for the Company.

In 2016 the Company played an even more critical role in the creation of preserving its future in these uncertain times by extending its portfolio of harness products it provides to its customers, by quoting and successfully securing contracts for new corporate engine programmes. The Company believes that this success has been achieved through its strong customer relationships with its major customers and continued high quality standards.

The Company has spent a lot of time and resources working with its customers on new technologies for some new aircraft engines. These broadened capabilities in this area of harness and interconnect assemblies, including printed circuits, have significantly expanded the reach that the Company will have in the market of harness production, whereby the Company classifies these capabilities as New Product Introductions (NPI). It is these NPIs, along with the Company's strategy of sales diversification that will help to secure its sales growth in the future as the Company recognises its emphasis on technology leadership and product innovation are vital to both future and present growth and profitably.

FUTURE DEVELOPMENTS

Looking towards the future, the entry into 2017 is from a strong position, as the Company is ready to take advantage of the multitude of exciting opportunities that it is beginning to see in the marketplace. The Company's culture of strong operating discipline and proactive cost reduction measures will continue to result in consistent profitability and cash flow improvements, and in particular will help to ensure that the Company stays ahead of the competition.

The Board would also like to thank the skilled Ionix employees who have been dedicated through the year in supporting the Company and its customers. Despite the short-term challenges, the fundamentals of the business remain strong.

PRINCIPAL RISKS AND UNCERTAINTIES

Due to the nature of the products, brand reputation is a risk for the Company. The directors seek to mitigate the risk to the reputation of the Company's brands and maintain the brands' positioning relative to the competition by continuing to invest in quality control.

The Company looks to ensure a diverse mix of customers and also negotiates contracts that are of a long-term nature, where possible, to support sustainable performance year on year.

The Company uses various financial instruments. These include intragroup loans and various items such as debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risk arising from the company's financial instruments is credit risk. The Directors do not deem liquidity to be a risk due to no external debt, having strong cash reserves and being part of a successful Group.

STRATEGIC REPORT (continued)

Credit risk

The company's principal financial asset is trade debtors. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

Approved by the Board of Directors on 31 May 2017
and signed on behalf of the Board



Director

C Lampo

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2016. Details of the company's strategic review, principal risks and uncertainties, along with the principal activities are included in the Strategic Report.

RESULTS

The profit for the year after taxation amounted to £2,505,000 (2015: £1,814,000).

DIVIDENDS

Dividends of £nil were paid during the year (2015: £3,200,000).

DIRECTORS

The directors who served during the year, and to the date of this report, unless otherwise stated, were:

R A Norwitt

C A Lampo

EMPLOYEES

Within the bounds of confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the company and are of interest and concern to them as employees.

During the year, the company gave full and fair consideration to application for employment by disabled persons, having regard to their particular aptitudes and abilities and to appropriate vacancies. The company will continue to ensure that disabled employees are considered on the same basis as any other member of staff with regard to training, career development and promotion.

GOING CONCERN

The directors are aware of their duty to assess the ability of the Company to continue as a going concern and in particular are sensitive to this requirement given the current uncertain economic outlook. Based on this the financial statements have been prepared on a going concern basis. Further details on the basis of preparation are given in note 1 to the financial statements.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- as 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 he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

The Company is not required to undertake an annual general meeting under the Companies Act 2006. Accordingly, Deloitte LLP will be deemed to remain in office until further notice.

The Company has taken advantage of certain disclosure exemptions available to them as a qualifying entity under FRS 102.

Approved by the Board of Directors on 31 May 2017
and signed on behalf of the Board



Director

C Lampo

DIRECTORS' RESPONSIBILITIES STATEMENT

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) including FRS 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 AUDITOR'S REPORT TO THE MEMBERS OF IONIX SYSTEMS LIMITED

We have audited the financial statements of Ionix Systems Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 19. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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, 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2016 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, 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONIX SYSTEMS LIMITED (continued)

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.



Scott Bayne FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom

31 May 2017

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
TURNOVER	1,3	18,565	17,395
Cost of sales		(14,573)	(14,468)
GROSS PROFIT		3,992	2,927
Administrative expenses		(864)	(647)
OPERATING PROFIT	4	3,128	2,280
Interest receivable and similar income	5	12	5
Interest payable and similar charges	6	(5)	(6)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,135	2,279
Tax on profit on ordinary activities	7	(630)	(465)
PROFIT FOR THE FINANCIAL YEAR, BEING TOTAL COMPREHENSIVE INCOME	18	2,505	1,814

The above results relate to continuing operations.

There are no items of comprehensive income in the current year or previous year other than those stated above in the profit and loss account. Accordingly, a separate statement of comprehensive income has not been presented.

BALANCE SHEET
As at 31 December 2016

	Note	£'000	2016 £'000	£'000	2015 £'000
FIXED ASSETS					
Tangible assets	11		76		120
Investments	12		-		-
			<hr/>		<hr/>
CURRENT ASSETS			76		120
Stocks	13	2,342		2,387	
Debtors	14	4,599		4,021	
Cash at bank and in hand		4,559		2,137	
		<hr/>		<hr/>	
		11,500		8,545	
CREDITORS: amounts falling due within one year	15	(5,226)		(4,820)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			6,274		3,725
			<hr/>		<hr/>
NET ASSETS			6,350		3,845
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called-up share capital	17		-		-
Profit and loss account	18		6,350		3,845
			<hr/>		<hr/>
SHAREHOLDER'S FUNDS			6,350		3,845
			<hr/>		<hr/>

The financial statements of Ionix Systems Limited, registered number 00592717, were approved by the Board of Directors and authorised for issue on 31 May 2017.

Signed on behalf of the Board of Directors



Director

C Lampo

STATEMENT OF CHANGES IN EQUITY
As at 31 December 2016

Equity attributable to equity shareholders of the Company:

	Called-up share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2015	-	5,231	5,231
Profit for the financial year	-	1,814	1,814
Dividends paid	-	(3,200)	(3,200)
	<hr/>	<hr/>	<hr/>
At 31 December 2015	-	3,845	3,845
Profit for the financial year	-	2,505	2,505
Dividends paid	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2016	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2016

1. ACCOUNTING POLICIES

Accounting convention

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

Ionix Systems Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard FRS102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Ionix Systems Limited is considered to be pounds sterling because this is the currency of the primary economic environment in which the company operates.

Ionix Systems Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemption has been taken in relation to presentation of a cash flow statement, financial instruments and key management personnel compensation.

Going concern

The directors are aware of their duty to assess the ability of the company to continue as a going concern and in particular are sensitive to this requirement given the current uncertain economic outlook. The directors have reviewed the company's forecasts and projections taking into account reasonably possible changes in trading performance.

After making such enquiries, the directors have a reasonable expectation that the company has adequate resources available to continue in operation for the foreseeable future. Thus, the directors continues to adopt the going concern basis in preparing the annual report and financial statements.

Related party transactions

The company has taken advantage of the exemption within FRS 102 not to disclose related party transactions with fellow wholly-owned group undertakings. There are no other related party transactions in either the current or prior year.

Turnover

Turnover represents the amounts (excluding Value Added Tax) derived from the provision of goods and services to customers. Turnover and profit on ordinary activities before taxation are derived from the company's principal activity. Turnover is recognised when the risk and rewards of ownership have passed to the customer, primarily on receipt by the customer.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery - 3-5 years on a straight line
 Office equipment - 3-5 years on a straight line

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Lease incentives and rent free periods are amortised through the profit and loss account over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2016

1. ACCOUNTING POLICIES (continued)

Stocks

Stocks and work in progress are stated in the lower of cost and net realisable value, after making allowance for obsolete and slow moving items. Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. No element of profit is included in the valuation of work in progress.

Financial Instruments

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 not recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transaction in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and loss account.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. No contributions were unpaid at the year-end (2015: same).

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and paid and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2016

2. CRITICAL ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Revenue recognition

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods and, in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. The directors are satisfied that the significant risks and rewards have been transferred on delivery.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Stock provisioning

Judgement is required around the adequacy of stock provisioning. Estimation uncertainty exists from the requirement to provide for aged or potentially obsolete or slow-moving items of stock. Provisions against stock are calculated based on the age of inventory and by the specific identification of any lines items of stock which require write-down.

Trade debtor recoverability

Judgement is required around the adequacy of provisioning for bad debts. Estimation uncertainty exists from requirements to provide for specific customers that are unable to settle their open debtors. Provisions are made against specific customer debts that are deemed unrecoverable.

3. TURNOVER

The turnover and profit on ordinary activities before taxation arise wholly within the United Kingdom and are attributable to the Company's principal activity

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2016

4. OPERATING PROFIT

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets:		
- owned by the company	73	77
Auditor's remuneration – fees for the audit of the Company	24	23
Cost of stock recognised as an expense	10,921	10,875
Operating lease rentals:		
- land and buildings	84	71
- plant and machinery	11	13
Loss on foreign exchange	269	103
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No non audit fees were payable to the company's auditor in the year (2015: £nil).

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Wages and salaries	1,386	1,275
Social security costs	120	113
Other pension costs	43	33
	<hr/>	<hr/>
	1,549	1,421
	<hr/>	<hr/>

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

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Direct	29	26
Indirect	30	30
	<hr/>	<hr/>
	59	56
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2016

6. DIRECTORS' REMUNERATION

In the current and prior year the directors were remunerated by a fellow Group company and not recharged, as such no transactions relating to the directors occurred.

7. INTEREST RECEIVABLE

	2016 £'000	2015 £'000
Bank interest receivable	12	5

8. INTEREST PAYABLE

	2016 £'000	2015 £'000
Other interest payable	5	6

9. TAXATION

	2016 £'000	2015 £'000
The tax charge comprises:		
Current tax		
UK corporation tax charge on profit for the year	641	475
Deferred tax (note 16)		
Original and reversal of timing differences	(13)	(11)
Effects of changes in taxation rates	2	1
Total tax on profit on ordinary activities	630	465

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2016

9. TAXATION (continued)

Factors affecting total tax charge for the year:

	2016	2015
	£'000	£'000
Profit on ordinary activities before taxation	3,135	2,279
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.00% (2015: 20.25 %)	627	461
Effects of:		
Expenses not deductible for tax purposes	1	3
Effects of changes in taxation rates	2	1
Total tax charge for the year	630	465

The standard rate of UK Corporation Tax was reduced from 21% to 20% with effect from 1 April 2015. In October 2015 the standard rate was confirmed to reduce to 19% and 18% with effect from 1 April 2016 and 1 April 2017 respectively. These rates were substantially enacted at the balance sheet date and, therefore, the deferred tax assets and liabilities are calculated in these statements at these rates.

10. DIVIDENDS

	2016	2015
	£'000	£'000
Dividends paid – £ nil per share (2015: £320 per share)	-	3,200

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2016

11. TANGIBLE FIXED ASSETS

	Plant & machinery £'000	Office equipment £'000	Total £'000
Cost			
At 1 January 2016	266	312	578
Additions	22	7	29
Disposals	(2)	-	(2)
	<u>286</u>	<u>319</u>	<u>605</u>
At 31 December 2016			
Depreciation			
At 1 January 2016	241	217	458
Charge for the year	26	47	73
Disposals	(2)	-	(2)
	<u>265</u>	<u>264</u>	<u>529</u>
At 31 December 2016			
Net book value			
At 31 December 2016	<u>21</u>	<u>55</u>	<u>76</u>
At 31 December 2015	<u>25</u>	<u>95</u>	<u>120</u>

12. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £'000
Cost and net book value	
At 31 December 2015 and 31 December 2016	<u>-</u>

Subsidiary undertaking

The following is the only subsidiary undertaking of the company:

Name	Principal activity	Registered office
Ionix Systems OU	Manufacture 'inert' wiring harnesses	Estonia

13. STOCKS

	2016 £'000	2015 £'000
Raw materials	1,368	1,453
Work in progress	608	448
Finished goods and goods for resale	366	486
	<u>2,342</u>	<u>2,387</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2016

14. DEBTORS: amounts falling due within one year

	2016 £'000	2015 £'000
Trade debtors	4,061	3,994
Prepayments and accrued income	17	20
Deferred tax asset (note 15)	18	7
Amounts owed by fellow group undertakings	503	-
	<u>4,599</u>	<u>4,021</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Trade creditors	1,816	2,155
Amounts owed to group undertakings	2,324	1,951
Corporation tax	366	281
Other taxation and social security	566	291
Accruals and deferred income	154	142
	<u>5,226</u>	<u>4,820</u>

16. DEFERRED TAXATION ASSET

	2016 £'000	2015 £'000
At 1 January 2016	7	(3)
Credit for the year (note 8)	11	10
	<u>18</u>	<u>7</u>
At 31 December 2015		

The deferred taxation asset is made up as follows:

	2016 £'000	2015 £'000
Accelerated Capital Allowances	17	7
Short term timing differences - trading	1	-
	<u>18</u>	<u>7</u>

17. SHARE CAPITAL

	2016 £	2015 £
Authorised, Allotted, called up and fully paid 10,000 'A' shares of £0.01 each	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2016

18. RESERVES

	Profit and loss account £'000
At 1 January 2016	3,845
Profit for the financial year	2,505
Dividends paid	-
	<hr/>
At 31 December 2016	<u>6,350</u>

18. OPERATING LEASE COMMITMENTS

At 31 December 2016 the total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £'000	2015 £'000
Within 1 year:		
- Plant and machinery	15	12
- Land and buildings	86	44
Between 2-5 years:		
- Plant and machinery	30	15
- Land and buildings	249	-
	<hr/>	<hr/>

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The smallest group for which financial statements are prepared is Ionix Aerospace Limited, a company incorporated in England and Wales. Consolidated financial statements can be obtained from Prospect House, Taylor Business Park, Risley, Warrington WA3 6HP.

The directors regard Amphenol Corporation Inc., a company incorporated in the USA, as the ultimate parent company and the ultimate controlling party.

Amphenol Corporation Inc. is the parent company of the largest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from Amphenol Corporation Inc., 358 Hall Avenue, Wallingford, Connecticut, USA.