Registered number
617406

Abbey Metal Finishing Company Ltd

Annual report and financial statements

31 December 2015

Abbey Metal Finishing Company Ltd
Annual report and financial statements
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Abbey Metal Finishing Company Ltd
Company Information

Directors during the year, and up to the date of signing the financial statements
G Vaughan
C Ames (resigned 10/07/2015)
T Franks (appointed 26/08/2015)
B Johnston (appointed 7/10/2015)

Company Secretary
J Morton

Principal place of business
Unit 2, Dodwells Bridge Industrial Estate
Hinckley
West Midlands
LE10 3BZ

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Registered office

Linton Park
Linton
Near Maidstone
Kent ME17 4AB

Registered number
617406

Abbey Metal Finishing Company Ltd
Strategic report for the year ended 31 December 2015

Principal activities

The company trades as metal finishers.

Business review and future developments

The company continues to operate as a trading company. The results for the year and the financial position of the company are as shown in the annexed financial statements.

Key performance indicator

The directors consider the performance measurement of EBITDA, which is set out in the table below, to be the most appropriate

	2015	2014
	£	£
EBITDA	1,583,057	(1,575,498)

Principal risks and uncertainties

These are set out in the directors' report and Note 23 to these financial statements

Operational risk management

A significant downturn in the aerospace industry, which is the sector in which the majority of the company's customers operate, would have an adverse effect on financial performance. The company is represented on a number of trade bodies in the aerospace sector, and monitors developments in the sector on a regular basis.

This report was approved by the board on 3rd June 2016

B Johnston
Director

Abbey Metal Finishing Company Ltd
Directors' report for the year ended 31 December 2015.

The directors present their report together with the audited financial statements of the company for the year ended 31 December 2015. The registered number of the company is 617406.

Future developments

The company will continue to trade as metal finishers.

Results and dividends

The profit for the financial year is £923,505 (2014: loss of £2,215,040). The directors have not paid a dividend for the year (2014:£Nil). *The result for the financial year includes a profit £1,194,520 on disposal of the company's former site.*

The directors have given due consideration to all the relevant circumstances, and, have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future, and therefore have concluded that the going concern basis is appropriate for the preparation of the financial statements for the year ended 31 December 2015.

The directors of the company are listed on page 2.

Principal risks and uncertainties

The company is dependent, for a significant portion of its revenue, on the aerospace industry, and a downturn in this sector would have an impact on turnover and profitability. Some of the processes used by the company require high standards of health and safety and environmental management; failure to maintain these standards could give rise to accidents or environmental damage. The company is a wholly owned subsidiary of Camellia plc. As such, all relevant risks and performance reporting through key performance indicators is available within the annual report of Camellia plc.

Financial risk management

The company's operations expose it to a variety of financial risks that include credit risk and liquidity risk. Given the size of the company, the directors have not delegated the responsibility for monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Credit Risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual customer is subject to a limit.

Liquidity Risk

The company has access to banking facilities and inter-company funding so as to ensure that it has sufficient funds available to operate.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Insurance

The directors are covered by a group insurance policy in respect of legal actions against them in their capacity as directors of the company. The current level of cover is £20 million.

Statement of disclosure of information to auditors

In accordance with Section 418, in the case of each director in office at the date the directors' report is approved:

(a) So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Charitable contributions

During the year the company made no charitable donations (2014: £nil).

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the annual general meeting.

This report was approved by the board on 3rd June 2016

Brian Johnston

B Johnston
Director

Abbey Metal Finishing Company Ltd

Independent auditors' report
to the members of Abbey Metal Finishing Company Ltd

Report on the financial statements

Our Opinion

In our opinion, Abbey Metal Finishing Company Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

Matt Palmer

Matt Palmer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
3rd June 2016

Abbey Metal Finishing Company Ltd
Statement of Comprehensive Income
for the year ended 31 December 2015

	Note	2015 £	2014 £
Revenue	2	**4,302,180**	**2,981,152**
Cost of sales		(2,145,399)	(2,394,630)
Gross profit		**2,156,781**	**586,522**
Administrative expenses		(2,374,145)	(2,757,856)
Profit on disposal of property, plant and equipment		1,194,520	-
Finance income	4	72,075	68,856
Finance costs	5	(125,726)	(112,562)
Profit/(loss) before income tax	3	923,505	(2,215,040)
Income tax expense	6	-	-
Profit/(loss) for the year attributable to owners of the parent		**923,505**	**(2,215,040)**
Total comprehensive income/(expense) for the year		**923,505**	**(2,215,040)**

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

The notes on pages 10 to 22 form an integral part of these financial statements.

Abbey Metal Finishing Company Ltd
Balance Sheet
as at 31 December 2015

	Notes	2015 £	2014 £
Non-current assets			
Property, plant and equipment	10	5,611,619	6,119,924
Investment in subsidiary undertaking	13	27,602	27,602
Trade and other receivables	14	1,774,476	1,566,356
Total non-current assets		**7,413,697**	**7,713,882**
Current assets			
Inventories	11	112,491	126,695
Trade and other receivables	14	870,645	786,158
Assets held for resale	19	-	651,397
Cash and cash equivalents (excluding bank overdraft)	15	841,832	38,075
Total current assets		**1,824,968**	**1,602,325**
Current liabilities			
Trade and other payables	16	(1,040,606)	(1,004,529)
Provisions	18	-	(26,625)
Current income tax group relief		(266,501)	(266,501)
Total current liabilities		**(1,307,107)**	**(1,297,655)**
Net current assets		**517,861**	**304,670**
Total assets less current liabilities		**7,931,558**	**8,018,552**
Non-current liabilities			
Amounts due to group undertakings	17	(3,092,325)	(4,102,824)
Deferred income tax liability	12	-	-
Total non-current liabilities		**(3,092,325)**	**(4,102,824)**
Net assets		**4,839,233**	**3,915,728**
Equity			
Share Capital	20	1,000,200	1,000,200
Retained earnings	22	3,763,182	2,839,677
Other reserves		75,851	75,851
Total equity		**4,839,233**	**3,915,728**

The notes on pages 10 to 22 form an integral part of these financial statements.

The financial statements on pages 6 to 22 were approved by the board of directors on 3rd June 2016 and signed on their behalf by:

B Johnston

Director

Abbey Metal Finishing Company Ltd
Statement of Changes in Equity
for the year ended 31 December 2015

	Attributable to the owners of the parent			
	Share capital	Retained earnings	Other reserves	Total equity
	£	£	£	£
At 1 January 2014	1,000,200	5,054,717	75,851	6,130,768
Total comprehensive expense for the year	-	(2,215,040)	-	(2,215,040)
At 31 December 2014	1,000,200	2,839,677	75,851	3,915,728
Total comprehensive income for the year	-	923,505	-	923,505
At 31 December 2015	1,000,200	3,763,182	75,851	4,839,233

Abbey Metal Finishing Company Ltd
Cash Flow Statement
for the year ended 31 December 2015

	Notes	2015 £	2014 £
Cash flows from operating activities			
Profit/(loss) before tax		923,505	(2,215,040)
Adjustments for:			
Depreciation		605,901	595,836
Profit on disposal of property, plant and equipment		(1,194,520)	-
Net finance income		53,651	43,706
		388,537	(1,575,498)
Decrease in stock		14,204	70,168
Increase in trade and other receivables		(84,487)	(83,686)
Increase in trade and other payables		178,261	145,942
(Decrease)/increase in provisions		(26,625)	26,625
Cash generated from operations		469,890	(1,416,449)
Interest paid		(125,726)	(112,562)
Net cash from operating activities		**344,164**	**(1,529,011)**
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(97,596)	(338,131)
Expenditure on assets held for resale		(4,083)	-
Loans to subsidiary undertaking	14	(208,120)	(269,913)
Interest income	4	72,075	68,856
Proceeds from sale of property, plant and equipment		1,850,000	-
Net cash from investing activities		**1,612,276**	**(539,188)**
Cash flows from financing activities			
(Repayments to)/loans from group undertakings	17	(1,010,499)	1,795,868
Net cash from financing activities		**(1,010,499)**	**1,795,868**
Net increase/(decrease) in cash and cash equivalents	15	**945,941**	**(272,331)**
Cash and cash equivalents at beginning of year		(104,109)	168,222
Cash and cash equivalents at end of year		841,832	(104,109)
		945,941	**(272,331)**

The notes on pages 10 to 22 form an integral part of these financial statements.

Abbey Metal Finishing Company Ltd
Notes to the financial statements
for the year ended 31 December 2015

General Information
Abbey Metal Finishing Company Ltd (the Company)is incorporated in England and is a member of the Camellia group (the Group). The primary business of the company is in the trade of metal finishing.

1 Accounting policies

The principal accounting policies in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU IFRS IC interpretations, and the Companies Act 2006 applicable to companies reporting under IFRS using the historic cost convention. These financial statements contain information about Abbey Metal Finishing Company Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, as it and its subsidiary are included in the consolidated financial statements of Camellia plc.

Going concern
The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources, including access to group facilities if required, to continue to operate for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Foreign currency translation
Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Translation differences on non-monetary items carried at fair value are reported as part of the fair value gain or loss. Gains and losses arising on retranslation are included in the income statement, except for exchange differences arising on non-monetary items where the changes in fair value are recognised directly in equity.

The financial statements are presented in sterling, which is the company's functional and presentation currency.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, value added tax and other sales related taxes. Revenue is recognised at the point when processed goods are delivered to, or collected by, the customer. Amounts agreed as being receivable from insurers are recognised as other operating income.

The company is a private limited company, which is domiciled in England.

1 Accounting policies (continued)

Property, plant and equipment
All property, plant and equipment (PPE), is shown at cost less subsequent depreciation and impairment, except for land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of these assets.

On transition to IFRS, the company has followed the transitional provisions and elected that previous UK GAAP revaluations be treated as deemed cost.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.
No depreciation is provided on freehold land. Depreciation of other fixed assets is calculated to write off their cost less residual value on a straight-line basis over their expected useful lives.

The rates of depreciation used for the other assets are as follows:-

Freehold buildings	2.5 to 3.5 per cent. per annum
Motor vehicles, plant and machinery	10 to 25 per cent. per annum
Fixtures, fittings and equipment	10 to 25 per cent. per annum

Assets in the course of construction are not depreciated until they are fully commissioned and brought into use.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.
The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is included in the income statement.

Impairment of assets
Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Trade and other receivables
Trade receivables are carried at original invoice amount less provision made for impairment of these receivables.
A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms. The amount of the provision is recognised in the income statement. Other receivables include amounts that are expected to be received from the company's insurers in relation to the business interruption policy.

Assets held for resale
Non-current assets are classified as assets held for resale when their carrying amount is to be recovered principally through a sale transaction, and a sale is considered to be highly probable. They are stated at the lower of carrying amount and fair value, less expected selling costs.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Trade and other payables
Trade and other payables are carried at book value.

Inventories
Inventories are carried at the lower of cost and net realisable value.
Net realisable value represents the estimated selling price less all estimated selling expenses.

Segmental analysis
The company only operates in a single segment, as described in the directors' report.

Leases
Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

1 Accounting policies (continued)

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than in a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related tax asset is realised or the tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future.

Employee benefits
Pension obligations
Abbey Metal Finishing Company Limited is a participating employer in the Linton Park Group Pension Scheme, a defined benefit pension scheme. This is a scheme providing pension benefits to all members of that scheme, and for which it is not possible to identify the company's share of the underlying assets and liabilities. For this reason, pension costs relating to this scheme for the company are charged to the income statement in the period in which they fall due.

The company also operates a defined contribution scheme. Payments to defined contribution retirement schemes are charged as an expense as they fall due.

Critical accounting estimates and judgements
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
The group makes estimates and assumptions concerning the future. The resulting accounting will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.
(i) The company has significant investments in a subsidiary undertaking. The value of the investment is tested for impairment when circumstances indicate there may be a potential impairment. (ii) Depreciation is based on management estimates of the future useful life of property, plant and equipment. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the charges

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Investments in subsidiary companies

Investments in subsidiary companies are included at cost less any provision for impairment. Impairment reviews are carried out by the directors when there has been an indication of potential impairment.

1 Accounting policies (continued)

Changes in accounting policy and disclosures

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company

(i) New and amended standards adopted by the company

No new and amended standards have been adopted by the company that would have a material impact.

(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company

No standards, amendments and interpretations to existing standards that are not yet effective have been adopted early by the company that would have a material impact.

2 Revenue

An analysis of the company's revenue, split by destination, is as follows:	2015 £	2014 £
Trading revenues		
United Kingdom	3,555,508	2,554,091
Europe	746,672	427,061
	4,302,180	2,981,152

Revenue originates from operations in England. In the opinion of the directors the activities of the company represent a single class of business.

3 Profit/(loss) before income tax

The following items have been charged/(credited) in arriving at profit (2014: loss) before income tax:	2015 £	2014 £
Employment costs (note 7)	2,076,271	2,339,151
Depreciation of property, plant and equipment:		
Owned assets	605,901	595,836
Profit on sale of assets held for resale	(1,194,520)	-
Operating lease charges	21,712	33,032
(Profit)/loss on translation of amounts denominated in currency	(40,818)	95,918
Auditors' remuneration paid by the company	19,800	17,500
Cost of inventories recognised as an expense	479,451	522,040

4 Finance income

	2015	2014
	£	£
Received from group undertakings	72,075	68,856
	72,075	68,856

5 Finance costs

	2015	2014
	£	£
Interest paid on loans and bank overdrafts	1,858	3,279
Interest paid to group undertakings	123,868	109,283
	125,726	112,562

6 *Income tax expense*

Analysis of charge in the year

	2015	2014
	£	£
Current tax		
UK corporation tax		
UK corporation tax at 20.25 per cent. (2014: 21.50 per cent.)	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Income tax expense	-	-

Factors affecting tax charge for the year

The tax on the company's loss before tax differs (2014: differs) from the theoretical amount that would arise using the weighted average tax rate applicable to the profits (2014:losses) of the company as follows:

	2015	2014
	£	£
Profit/(loss) on ordinary activities before tax	923,505	(2,215,040)
Tax on ordinary activities at the standard rate of corporation tax in the UK of 20.25 per cent (2014: 21.50 per cent)	187,010	(476,234)
Effects of:		
Income and expenses not chargeable/deductible for tax purposes	210,089	10,019
Group relief	(397,099)	239,826
Changes in rate of taxation	-	13,746
Fixed asset timing differences	-	24,131
Unrecoverable deferred tax written off	-	183,286
Other	-	5,226
Tax charge	-	-

The tax rate for the current year is lower than the prior year due to changes in the UK Corporation tax rate which decreased from 21% to 20% from 1 April 2015. Further reductions to UK Corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 26 October 2015. These reduce the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. The March 2016 Budget announced further changes to the UK Corporation Tax rate which will reduce the main rate of corporation tax to 17% from 1 April 2020. As this change has not been substantively enacted at the reporting date its effect has not been included in these financial statements.

7 Employees

	2015	2014
	Number	Number

The average monthly number of employees employed by the company during the year, including directors on a service contract, was made up as follows:

	2015	2014
Management and administration	8	17
Production	67	62
	75	79

	2015	2014
	£	£
Employment costs:		
Wages and salaries	1,821,827	2,041,085
Social security costs	162,463	191,263
Other pension costs	91,981	106,803
	2,076,271	2,339,151

8 Emoluments of the directors

	2015	2014
	£	£
Aggregate emoluments excluding pension contributions	117,115	133,164
Aggregate pension contributions - defined contribution	8,550	17,137
Compensation for loss of office	-	92,234
	125,665	242,535

Highest paid director

	2015	2014
	£	£
Total emoluments and amounts received under long term incentive schemes	57,612	87,665
Compensation for loss of office	-	92,234
Pension contributions	4,950	13,087
	62,562	192,986

9 Pensions

The company contributes to a defined benefit pension scheme operated by Linton Park Services Limited. Further details of the scheme, including the disclosures under IAS 19 "Employee Benefits", are disclosed in the financial statements of that company. The scheme plan was closed to new entrants on 1 November 2006 and new employees are admitted to a defined contribution scheme. The total pension cost for the company in respect of the scheme was £57,799 (2014: £55,415) and the provision included in creditors at 31 December 2015 was £4,982 (2014: £13,644).

Abbey Metal Finishing Company also operates a defined contribution scheme. The charge to the income statement for the year was £34,182 (2014: £50,720).

10 Property, plant and equipment

	Freehold land and buildings £	Motor vehicles plant and machinery £	Fixtures, fittings and equipment £	Assets in course of Construction	Total £
Cost or valuation					
At 1 January 2014	3,362,626	5,558,180	108,272	-	9,029,078
Additions	267,029	63,520	7,582	-	338,131
Transfers to assets held for resale	(651,397)	-	-	-	(651,397)
At 1 January 2015	2,978,258	5,621,700	115,854	-	8,715,812
Additions	31,372	64,569		1,655	97,596
Transfers between categories	-	2,500	(2,500)	-	-
At 31 December 2015	3,009,630	5,688,769	113,354	1,655	8,813,408
Accumulated depreciation					
At 1 January 2014	166,938	1,783,609	49,505	-	2,000,052
Charge for the year	64,413	510,016	21,407	-	595,836
At 1 January 2015	231,351	2,293,625	70,912	-	2,595,888
Charge for the year	66,352	516,878	22,671	-	605,901
Transfers between categories	-	2,500	(2,500)	-	-
At 31 December 2015	297,703	2,813,003	91,083	-	3,201,789
Net book value at 31 December 2015	2,711,927	2,875,766	22,271	1,655	5,611,619
Net book value at 31 December 2014	2,746,907	3,328,075	44,942	-	6,119,924

All of the depreciation expense in both the current and prior years was charged to administrative expenses.

11 Inventories

	2015 £	2014 £
Raw materials	112,491	126,695
	112,491	126,695

The cost of inventories recognised as an expense and included in cost of sales was £479,451 (*2014: £522,040*).

12 Deferred income tax

	2015 £	2014 £
Accelerated capital allowances	-	226,397
Short term timing differences	-	(3,830)
Losses carried forward	-	(419,600)
Impact of change in tax rate	-	13,746
Provision against unrecoverable deferred tax asset	-	183,287
Deferred income tax	-	-

Deferred tax has been calculated at the rate of 18% (2014: 20%) and is in respect of fixed asset timing differences and trading losses.

13 Investments in subsidiary undertakings

	2015	2014
	£	£
Investment in subsidiary	27,602	27,602
	27,602	27,602

The subsidiary, of which the company owns 51%, is Atfin GmBH, which is incorporated in Germany. The subsidiary provides metal finishing services.

14 Trade and other receivables

	2015	2014
	£	£
Trade receivables	815,647	747,998
Less: provision for impairment of trade receivables	(9,275)	(30,893)
Trade receivables - net	806,372	717,105
Prepayments and accrued income	64,273	69,053
Amounts due from group undertaking	1,774,476	1,566,356
	2,645,121	2,352,514
Less non-current portion of amounts due from group undertakings	(1,774,476)	(1,566,356)
Current portion of trade and other receivables	870,645	786,158

The amounts due from group undertakings are denominated in Euros, and the carrying value above is translated at the year end exchange rate.

The fair values of trade and other receivables are as follows:	2015	2014
	£	£
Trade receivables	806,372	717,105
Prepayments and accrued income	64,273	69,053
Amounts due from group undertakings	1,774,476	1,566,356
	2,645,121	2,352,514

The totals and ageing analysis of receivables that were overdue at the reporting date, is shown in the table below:

	2015	2014
	£	£
Up to 3 months	114,241	156,884
3 to 6 months	5,988	9,557
	120,229	166,441

15 Cash and cash equivalents

	2015	2014
	£	£
Cash at bank and in hand	841,832	38,075
Cash and cash equivalents, (excluding bank overdraft)	841,832	38,075

16 Trade and other payables

	2015	2014
	£	£
Trade payables	203,095	257,070
Amounts due to group undertakings	59,040	105,431
Other taxation and social security	495,422	94,371
Other payables	184,742	324,886
Accruals	98,307	80,587
Bank overdraft	-	142,184
	1,040,606	1,004,529

17 Non-current liabilities

	2015	2014
	£	£
Amounts due to group undertakings	3,092,325	4,102,824

Abbey Metal Finishing Company Ltd
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18 Provisions

Current provisions	2015	2014
	£	£
Employee disputes	-	26,625

Employee disputes related to unsettled or potential claims from employees or former employees.

19 Assets held for resale

	2015	2014
	£	£
Former site at Weddington Road, Nuneaton		
Cost	-	651,397
Depreciation	-	-
	-	651,397

The asset related to real property. The completion of the transaction took place during the year.

20 Share capital

	2015 £	2014 £
Authorised: 10,002,000 ordinary shares of 10p each	1,000,200	1,000,200
Allotted and fully paid: At 1 January and 31 December 10,002,000 (2014: 10,002,000) ordinary shares of 10p each:	1,000,200	1,000,200

21 Commitments

The company leases plant and equipment under non-cancellable operating lease arrangements. The future aggregate minimum lease payments are as follows:

	2015 £	2014 £
Due within one year:	17,940	1,728
Due between 1 to 5 years:	25,808	37,162
Due in over 5 years	-	-
	43,748	38,890

22 Retained earnings

	£
At 1 January 2014	5,054,717
Loss for the year 2014	(2,215,040)
At 31 December 2014	2,839,677
Profit for the year 2015	923,505
At 31 December 2015	3,763,182

23 *Financial Instruments*

Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of its debt and equity balance. The capital structure of the company consists of cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

Categories of financial instruments

The company's principal financial liabilities comprise trade and other payables, and provisions. The company's financial assets consist of trade and other receivables and cash and cash equivalents.

	2015	2014
	£	£
Financial Assets		
Cash and cash equivalents	841,832	38,075
Trade and other receivables	870,645	786,158
Amounts due to group undertakings	1,774,476	1,566,356
	3,486,953	2,390,589

	2015	2014
	£	£
Financial Liabilities		
Trade and other payables	1,040,606	862,345
Bank overdraft	-	142,184
Provisions	-	26,625
Amounts due to group undertakings	3,092,325	4,102,824
	4,132,931	5,133,978

Loans with group undertakings are interest bearing at rates between 0% and 5%, are unsecured, and are not repayable before 3 June 2017 except at the company's option.

Fair values

The fair values of the company's financial assets and liabilities are not materially different from their carrying values.

Financial risk management objectives

The main risks arising from the company's financial instruments are cash flow interest rate risk, liquidity risk, currency risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks which is summarised below:

Interest rate risk

The company's exposure to the risk of changes in market interest rates relates to the company's cash balance at floating interest rates, and a portion of group funding at floating interest rates.

A 100 basis points change in interest rates, using the company's year end cash balance as representative of the whole year would increase the company's loss before tax by £1,000.

Credit risk

The company has policies in place to limit its exposure to credit risk. Credit risk arises from cash and cash equivalents as well as credit exposure to customers on trade receivables. The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual customer is subject to a limit. At the year end 6 customers accounted for 50% of the total trade receivable balance. £120,229 (2014: £166,441) was overdue as at the balance sheet date, of which £9,275 (2014: £30,893) was considered impaired.

Currency risk

The company has no material exposure to foreign currency exchange risk, apart from the value of its loan to its subsidiary, which is denominated in Euros. A movement of 5% in the exchange rate of the Euro would increase/decrease profit and net assets by £75,000. Currency risk is managed by regular reviews by the directors.

Liquidity Risk

The company manages its liquidity risk through the preparation of cash flow projections and the monitoring of accounts receivables. It has access to banking facilities and inter-company funding so as to ensure that it has sufficient funds available to operate.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December based upon contractual undiscounted payments.

	On demand	3 to 12 months	1 to 5 Years
	£	£	£
2015			
Trade and other payables	-	1,040,606	-
2014			
Trade and other payables	-	862,345	-

Bank facilities

The company participates in a group banking facility with other subsidiary undertakings of the immediate parent company. Each member of the group guarantees the indebtedness under the facility to the other members. As at 31 December 2015, the aggregate liability was £862,702 (2014: £3,586,410)

24 Parent Company

The immediate parent undertaking is Unochrome Industries Ltd which is registered in England and Wales.
The ultimate parent undertaking and controlling party is Camellia Plc which is registered in England and Wales.
Camellia Plc is the parent undertaking of the largest, and smallest group of undertakings to consolidate these financial statements at 31 December 2015
Copies of the Camellia Plc financial statements can be obtained from Linton Park, Linton, Maidstone, Kent ME17 4AB.

25 *Subsidiary undertaking*

The subsidiary undertaking at 31 December 2015 was Atfin GmBH, incorporated in Germany, of which the company held 51% of the equity capital.
Group financial statements are not prepared, as the company is a wholly owned subsidiary of another company incorporated in England.

26 Control of Camellia plc

Camellia Holding AG holds 1,427,000 ordinary shares of Camellia plc (representing 51.34% of total voting rights). Camellia Holding AG is owned by The Camellia Private Trust Company Ltd, a private trust company incorporated under the laws of Bermuda to act as a trustee of the Camellia Foundation. The Camellia Foundation is a Bermudian trust, the income of which is utilised for charitable, educational and humanitarian causes at the discretion of the trustees.

27 Related party transactions

During the year the company was charged £239,855 (2014: £252,263) by Camellia plc by way of recharge of group costs.

During the year the company incurred costs to the value of £1,500 with Associated Cold Stores and Transport Limited, an associated company within the group (2014: £25,500). The balance outstanding at the year end was £1,500 (2014: £105,431).

During the year the company received a payment of £46,410 from AKD Engineering Ltd, an associated company within the group, in respect of the transfer of a contract liability.

At the year-end, the company owed £3,092,325 by way of an intercompany loan, to Camellia plc.

At the year-end, the company was due £1,774,476 from an intercompany loan, by Aftin GmbH, an associated company within the group.

The balances on these loans at 31 December 2015 and 2014 is shown in the balance sheet. Interest is charged or received on group loans at rates between 0 and 5%