

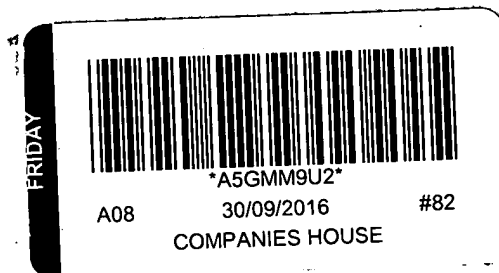
REGISTRAR OF COMPANIES

Company Registration No. 00788765 (England and Wales)

WALL COLMONOY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015



WALL COLMONOY LIMITED

COMPANY INFORMATION

Directors Mr W P Clark
 Ms A Clark
 Mr N Clark
 Mr S Curtis
 Mr R Verstraete
 Mr I Williams (Appointed 25 November 2015)

Secretary Mr N Clark

Company number 00788765

Registered office Alloy Industrial Estate
 Pontardawe
 SWANSEA
 West Glamorgan
 UK
 SA8 4HL

Auditors Broomfield & Alexander Limited
 Ty Derw
 Lime Tree Court
 Cardiff Gate Business Park
 CARDIFF
 UK
 CF23 8AB

WALL COLMONOY LIMITED

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WALL COLMONOY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and financial statements for the year ended 31 December 2015.

Fair review of the business

Turnover has decreased from £25.4m in 2014 to £23.9m in 2015, due substantially to material price difference and the impact of exchange rates. The company made a loss before tax of £893k for the year ended 31 December 2015 compared to a loss of £3.5m for the year ended 31 December 2014.

Key Performance Indicators

	2015 £	2014 £	Variance
Revenue	23,945,000	25,460,000	(6%)
Cost of sales	21,950,000	22,564,000	(4%)
Gross profit	1,995,000	2,896,000	(20%)
Gross margin	8%	11%	(1%)

Principal Risks and Uncertainties

The main risks affecting the business in 2016 remain similar to the ones in 2015. Pricing pressures from customer cost reduction programs is a key factor along with foreign exchange and commodity risk exposures. We mitigate these risks by continuously improving our cost base and providing premium service for our products, hedging our foreign currencies and passing through material cost fluctuations.

Financial Risk Management

The directors believe that the significant financial risks facing the company is foreign currency risk. The company buys and sells in a number of currencies including the Euro, US Dollar, and British Pound.

Future Developments

The company operates throughout Europe, Scandinavia, South Africa and the Middle East and is actively developing new sales channels. We continue to develop new products, applications and application methods for existing and potential customers and markets. Through our focused sales effort, we ensure a manageable product portfolio.

On behalf of the board



Mr S Curtis

Director

28/9/16

WALL COLMONOY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company continued to be that of the manufacture of hard surfacing and brazing materials and associated equipment, and the application of thermal, metallurgical and coating treatments to customer engineering components.

Directors

Mr W P Clark

Ms A Clark

Mr N Clark

Mr S Curtis

Mr R Verstraete

Mr E Ridge

Mr I Williams

(Resigned 31 March 2015)

(Appointed 25 November 2015)

Results and dividends

The results for the year are set out on page 6.

Auditors

In accordance with the company's articles, a resolution proposing that Broomfield & Alexander Limited be reappointed as auditors of the company will be put at a General Meeting.

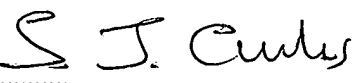
Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Donations

During the year the company made charitable donations of £1,037 (2014 - £228).

On behalf of the board



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Mr S Curtis

Director

28/9/16

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WALL COLMONOY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

WALL COLMONOY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WALL COLMONOY LIMITED

We have audited the financial statements of Wall Colmonoy Limited for the year ended 31 December 2015 set out on pages 6 to 30. 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 Financial Reporting Standard 102.

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 auditors

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. 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 2015 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.

Opinion on other matters 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.

WALL COLMONOY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF WALL COLMONOY LIMITED

Matters on which we are required to report by exception

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

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

gR Thomas

Ian Thomas BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of Broomfield & Alexander Limited

Chartered Accountants
Statutory Auditor

29 September 2016
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Ty Derw
Lime Tree Court
Cardiff Gate Business Park
CARDIFF
UK
CF23 8AB

WALL COLMONOY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
Turnover	3	23,945	25,460
Cost of sales		(21,950)	(22,564)
Gross profit		<u>1,995</u>	<u>2,896</u>
Administrative expenses		(2,758)	(3,836)
Other operating income		32	11
Operating loss	4	<u>(731)</u>	<u>(929)</u>
Interest payable and similar charges	7	(162)	(112)
Amounts written back / (written off) investments	8	-	(2,489)
Loss before taxation		<u>(893)</u>	<u>(3,530)</u>
Taxation	9	1	586
Loss for the financial year		<u><u>(892)</u></u>	<u><u>(2,944)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

WALL COLMONOY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£'000	£'000
Loss for the year	(892)	(2,944)
	<u> </u>	<u> </u>
Other comprehensive income		
Actuarial gain/(loss) on defined benefit pension schemes	40	(2,342)
Tax relating to other comprehensive income	(8)	500
	<u> </u>	<u> </u>
Other comprehensive income for the year	32	(1,842)
	<u> </u>	<u> </u>
Total comprehensive income for the year	(860)	(4,786)
	<u> </u>	<u> </u>


WALL COLMONOY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £'000	£'000	2014 £'000	£'000
Fixed assets					
Tangible assets	10		6,103		6,949
Investments	11		8		6
			<u>6,111</u>		<u>6,955</u>
Current assets					
Stocks	13	3,706		4,744	
Debtors	14	4,375		4,153	
Cash at bank and in hand		1,369		2,153	
		<u>9,450</u>		<u>11,050</u>	
Creditors: amounts falling due within one year	15	<u>(3,700)</u>		<u>(4,698)</u>	
Net current assets			5,750		6,352
Total assets less current liabilities			<u>11,861</u>		<u>13,307</u>
Creditors: amounts falling due after more than one year	16		(1,064)		(1,257)
Provisions for liabilities	19		(1,459)		(1,852)
Net assets			<u>9,338</u>		<u>10,198</u>
Capital and reserves					
Called up share capital	22		45		45
Revaluation reserve			245		255
Profit and loss reserves			9,048		9,898
Total equity			<u>9,338</u>		<u>10,198</u>

The financial statements were approved by the board of directors and authorised for issue on 28/9/16 and are signed on its behalf by:



 Mr S Curtis
 Director

Company Registration No. 00788765

WALL COLMONOY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £'000	Revaluation reserve £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2014		45	265	14,674	14,984
Period ended 31 December 2014:					
Loss for the year		-	-	(2,944)	(2,944)
Other comprehensive income:					
Actuarial gains on defined benefit plans		-	-	(2,342)	(2,342)
Tax relating to other comprehensive income		-	-	500	500
Total comprehensive income for the year		-	-	(4,786)	(4,786)
Transfers		-	(10)	10	-
Balance at 31 December 2014		45	255	9,898	10,198
Period ended 31 December 2015:					
Loss for the year		-	-	(892)	(892)
Other comprehensive income:					
Actuarial gains on defined benefit plans		-	-	40	40
Tax relating to other comprehensive income		-	-	(8)	(8)
Total comprehensive income for the year		-	-	(860)	(860)
Transfers		-	(10)	10	-
Balance at 31 December 2015		45	245	9,048	9,338

WALL COLMONOY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
Cash flows from operating activities			
Cash (absorbed by)/generated from operations	27	(331)	1,498
Interest paid		(162)	44
Income taxes (paid)/refunded		-	503
Net cash (outflow)/inflow from operating activities		(493)	2,045
Investing activities			
Purchase of tangible fixed assets		(125)	(181)
Proceeds on disposal of tangible fixed assets		147	-
Payments to acquire investments		(2)	(199)
Net cash generated from/(used in) investing activities		20	(380)
Financing activities			
Repayment of bank loans		(173)	(247)
Payment of obligations under finance leases		(138)	(251)
Net cash used in financing activities		(311)	(498)
Net (decrease)/increase in cash and cash equivalents		(784)	1,167
Cash and cash equivalents at beginning of year		2,153	986
Cash and cash equivalents at end of year		1,369	2,153

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Wall Colmonoy Limited is a company limited by shares incorporated in England and Wales. The registered office is Alloy Industrial Estate, Pontardawe, SWANSEA, West Glamorgan, UK, SA8 4HL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Wall Colmonoy Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 28.

1.2 Turnover

Turnover is measured at the fair value of consideration received or receivable, net of value added tax.

Revenue is reduced for estimated customer returns and other similar allowances.

Turnover from the sales of goods are recognised when all the following conditions are met:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% straight line
Plant and machinery	5 - 25% straight line
Fixtures, fittings & equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

1.8 Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

1.9 Financial liabilities

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 - Accounting policies (Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Defined benefit scheme assets are measured using closing market values. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The increase in the present value of the liabilities of the defined benefit scheme expected to arise from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time are included in interest payable and similar charges.

Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

1.15 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.16 Foreign exchange

Assets and liabilities denominated in foreign currencies, and the results of foreign subsidiaries, are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange differences arising from the retranslation of the opening net investments in the overseas subsidiaries are taken directly to reserves.

Where foreign currency borrowings finance or provide a hedge against foreign equity investments, the investments are regarded as currency net investments, and the carrying amounts are translated at the exchange rate ruling at the balance sheet date. Exchange differences that arise when net investments are retranslated, together with exchange differences on the related foreign currency borrowings, are taken to reserves.

1.17 Impairment of fixed assets

Impairment is calculated as the difference between the carrying value and the recoverable value of income generating units. Recoverable value is the higher of net realisable value and estimated value in use at the date the impairment loss is recognised. Value in use represents the present value of expected future discounted cash flows. If incurred, impairment is recognised in the profit and loss account.

1.18 Leased assets

Where assets are financed by leasing agreements which give substantially the same rights as ownership ("finance leases") the assets are treated as if they had been purchased outright at the capital value of the assets and the corresponding leasing commitments are shown as obligations to the lessor. The capital element of the lease payments is applied to reduce the outstanding obligations and the interest is charged to the profit and loss account over the period of the lease. Other rentals are charged wholly to the profit and loss account.

1.19 Research and development expenditure

Research and development expenditure is written off to the profit and loss account as incurred.

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast customer demand, the economic environment and stock loss trends.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015 £'000	2014 £'000
Turnover		
Manufacture of hard surface and brazing materials and associated equipment	23,945	25,460
	<u> </u>	<u> </u>
Other significant revenue		
Grants received	32	11
	<u> </u>	<u> </u>
Turnover analysed by geographical market		
	2015 £'000	2014 £'000
European Union	21,126	22,462
Rest of the World	2,819	2,998
	<u> </u>	<u> </u>
	23,945	25,460
	<u> </u>	<u> </u>

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

4 Operating loss

	2015 £'000	2014 £'000
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	130	390
Government grants	(32)	(11)
Fees payable to the company's auditors for the audit of the company's financial statements	18	19
Depreciation of owned tangible fixed assets	764	906
Depreciation of tangible fixed assets held under finance leases	62	80
Profit on disposal of tangible fixed assets	(1)	-
Cost of stocks recognised as an expense	20,884	21,578

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Direct	186	194
Overseas	1	3
	187	197

Their aggregate remuneration comprised:

	2015 £'000	2014 £'000
Wages and salaries	5,371	5,397
Social security costs	485	470
Pension costs	212	232
	6,068	6,099

6 Directors' remuneration

	2015 £'000	2014 £'000
Remuneration for qualifying services	137	188

In addition, the company was recharged £28,000 (2014 - £392,000) by an associated company, Wall Colmonoy Corporation, for the services of non-executive directors.

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

7 Interest payable and similar charges

	2015 £'000	2014 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	47	65
Interest on finance leases and hire purchase contracts	47	46
Other interest	68	1
	<u>162</u>	<u>112</u>

8 Amounts written back / (written off) investments

	2015 £'000	2014 £'000
Other gains and losses	-	(2,489)
	<u>-</u>	<u>(2,489)</u>

The amount written off in 2014 related to balances due from a former subsidiary, Wall Colmonoy Technologies, a Company based in France. The balances were no longer considered recoverable as the Company entered voluntary liquidation proceedings on 7 May 2015.

9 Taxation

	2015 £'000	2014 £'000
Current tax		
Adjustments in respect of prior periods	-	(577)
	<u>-</u>	<u>(577)</u>
Deferred tax		
Origination and reversal of timing differences	(73)	(140)
Adjustment in respect of prior periods	72	131
	<u>(1)</u>	<u>(9)</u>
Total deferred tax	(1)	(9)
	<u>(1)</u>	<u>(9)</u>
Total tax charge	(1)	(586)
	<u>(1)</u>	<u>(586)</u>

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

9 Taxation (Continued)

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2015 £'000	2014 £'000
Loss before taxation	(893)	(3,530)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 20.00%)	(179)	(706)
Tax effect of expenses that are not deductible in determining taxable profit	(16)	379
Tax effect of utilisation of tax losses not previously recognised	-	152
Unutilised tax losses carried forward	63	-
Change in unrecognised deferred tax assets	(1)	(9)
Permanent capital allowances in excess of depreciation	132	122
Under/(over) provided in the year	-	(546)
Transition adjustments	-	22
Tax expense for the year	(1)	(586)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2015 £'000	2014 £'000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	8	(500)

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

10 Tangible fixed assets

	Land and buildings Freehold £'000	Plant and machinery £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost				
At 1 January 2015	4,712	14,648	141	19,501
Additions	-	125	-	125
Disposals	-	(216)	-	(216)
At 31 December 2015	4,712	14,557	141	19,410
Depreciation and impairment				
At 1 January 2015	966	11,445	141	12,552
Depreciation charged in the year	94	731	-	825
Eliminated in respect of disposals	-	(70)	-	(70)
At 31 December 2015	1,060	12,106	141	13,307
Carrying amount				
At 31 December 2015	3,652	2,451	-	6,103
At 31 December 2014	3,746	3,203	-	6,949

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance lease or hire purchase contracts. The depreciation charge in respect of such assets amounted to £62,000 (2014 - £80,000) for the year.

	2015 £'000	2014 £'000
Plant and machinery	280	412

11 Fixed asset investments

	Notes	2015 £'000	2014 £'000
Investments in subsidiaries	26	8	6

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

11 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £'000
Cost or valuation	
At 1 January 2015	6
Additions	2
	<hr/>
At 31 December 2015	8
	<hr/>
Carrying amount	
At 31 December 2015	8
	<hr/>
At 31 December 2014	6
	<hr/>

12 Financial instruments

	2015 £'000	2014 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	4,181	3,716
Equity instruments measured at cost less impairment	8	6
	<hr/>	<hr/>
Carrying amount of financial liabilities		
Measured at amortised cost	3,861	4,927
	<hr/>	<hr/>

13 Stocks

	2015 £'000	2014 £'000
Raw materials and consumables	1,185	1,712
Work in progress	278	500
Finished goods and goods for resale	2,243	2,532
	<hr/>	<hr/>
	3,706	4,744
	<hr/>	<hr/>

14 Debtors

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Trade debtors	4,181	3,716
Other debtors	139	304
Prepayments and accrued income	55	133
	<hr/>	<hr/>
	4,375	4,153
	<hr/>	<hr/>

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

15 Creditors: amounts falling due within one year

	Notes	2015 £'000	2014 £'000
Loans and overdrafts	17	94	168
Obligations under finance leases	18	68	145
Trade creditors		1,656	2,923
Amount due to parent undertaking		837	682
Other taxation and social security		129	221
Accruals and deferred income		916	559
		<u>3,700</u>	<u>4,698</u>

16 Creditors: amounts falling due after more than one year

	Notes	2015 £'000	2014 £'000
Loans and overdrafts	17	269	368
Obligations under finance leases	18	21	82
Government grants		774	807
		<u>1,064</u>	<u>1,257</u>

17 Loans and overdrafts

	2015 £'000	2014 £'000
Bank loans	<u>363</u>	<u>536</u>
Payable within one year	94	168
Payable after one year	<u>269</u>	<u>368</u>

The company's bank loans are secured by a fixed and floating charge over the company's assets. The company has 4 bank loans outstanding at the year end which accrue interest at 1 3/4% above the Sterling base rate and 1 3/4% above the Euro base rate. These loans are repayable instalments and mature between January 2016 and November 2020.

18 Finance lease obligations

	2015 £'000	2014 £'000
Future minimum lease payments due under finance leases:		
Within one year	68	145
In two to five years	21	82
	<u>89</u>	<u>227</u>

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

18 Finance lease obligations (Continued)

The finance lease liabilities are secured over the assets to which they relate.

19 Provisions for liabilities

		2015 £'000	2014 £'000
Deferred tax liabilities	20	132	205
Retirement benefit obligations	21	1,327	1,647
		<u>1,459</u>	<u>1,852</u>

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £'000	Liabilities 2014 £'000
Balances:		
Accelerated capital allowances	<u>132</u>	<u>205</u>
Movements in the year:		2015 £'000
Liability at 1 January 2015		205
Credit to profit and loss		(73)
Liability at 31 December 2015		<u>132</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

21 Retirement benefit schemes

Defined contribution schemes

In the period up to 31 March 2006, the company contributed to a pension scheme which provided employees with a pension on retirement based on final pensionable salary and years of service.

This scheme was closed to further benefits on 31 March 2006.

A replacement money purchase scheme has been made available to employees with effect from 1 April 2006.

Under the requirements of FRS 102, an independent actuary carried out a valuation of the scheme based on information supplied by its administrators, using the projected unit method.

The charge to profit and loss in respect of defined contribution schemes was £130,000 (2014 - £232,000).

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

21 Retirement benefit schemes (Continued)

Defined benefit schemes

Key assumptions

	2015 %	2014 %
Discount rate	4.00	3.70
Expected rate of increase of pensions in payment	3.70	3.20

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2015 Years	2014 Years
Retiring today		
- Males	20.8	20.7
- Females	24.1	24.0
Retiring in 20 years		
- Males	23.0	23.1
- Females	26.5	26.4

Amounts recognised in the profit and loss account:

	2015 £'000	2014 £'000
Current service cost	76	18
Net interest on defined benefit liability/(asset)	68	(1)
Total costs/(income)	144	(17)

Amounts taken to other comprehensive income:

	2015 £'000	2014 £'000
Actual return on scheme assets	(183)	(944)
Less: calculated interest element	452	518
Return on scheme assets excluding interest income	269	(426)
Actuarial changes related to obligations	(309)	2,768

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

21 Retirement benefit schemes (Continued)

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2015 £'000	2014 £'000
Present value of defined benefit obligations	14,110	14,214
Fair value of plan assets	(12,451)	(12,155)
Deficit in scheme	1,659	2,059
Deferred taxation balance relating to pension schemes	(332)	(412)
Total liability recognised	1,327	1,647

Movements in the present value of defined benefit obligations:

	2015 £'000
Liabilities at 1 January 2015	14,214
Current service cost	76
Benefits paid	(391)
Actuarial gains and losses	(309)
Interest cost	520
At 31 December 2015	14,110

The defined benefit obligations arise from plans which are wholly unfunded.

Movements in the fair value of plan assets:

	2015 £'000
Fair value of assets at 1 January 2015	12,155
Interest income	452
Return on plan assets (excluding amounts included in net interest)	(269)
Benefits paid	(391)
Contributions by the employer	504
At 31 December 2015	12,451

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

21 Retirement benefit schemes (Continued)

The fair value of plan assets at the reporting period end was as follows:

	2015 £'000	2014 £'000
Equity instruments	3,399	5,360
Debt instruments	4,296	5,968
Property	-	109
Absolute return	4,333	183
Commodities	286	365
Cash	137	170
	<u>12,451</u>	<u>12,155</u>

22 Share capital

	2015 £'000	2014 £'000
Ordinary share capital		
Issued and fully paid		
45000 Ordinary shares of £1 each	<u>45</u>	<u>45</u>

23 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £'000	2014 £'000
Within one year	-	9
Between two and five years	<u>168</u>	<u>-</u>
	<u>168</u>	<u>9</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2015 £'000	2014 £'000
Aggregate compensation	<u>531</u>	<u>531</u>

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

24 Related party transactions (Continued)

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Entities with control or significant influence over the company	8	7	391	688
	<u>8</u>	<u>7</u>	<u>391</u>	<u>688</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2015 £'000	2014 £'000
Entities with control or significant influence over the company	837	682
	<u>837</u>	<u>682</u>

No guarantees have been given or received.

25 Controlling party

The directors regard Wall Colmonoy Inc, a company registered in the United States of America, as the ultimate parent company. The directors regard W P Clark as the ultimate controlling party by virtue of his majority interest in the issued shares of Wall Colmonoy Inc.

26 Subsidiaries

These financial statements are separate company financial statements for 31 December 2015.

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held	
				Direct	Indirect
Wall Colmonoy India	India	Metal processors in the coating industry	Ordinary	100.00	

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

27	Cash generated from operations	2015 £'000	2014 £'000
	Loss for the year	(892)	(2,944)
	Adjustments for:		
	Income tax expense recognised in profit or loss	(1)	(586)
	Finance costs recognised in profit or loss	162	112
	Gain on disposal of tangible fixed assets	(1)	-
	Depreciation and impairment of tangible fixed assets	825	1,080
	Amounts (written back) / written off investments	-	2,489
	Pension scheme non-cash movement	(360)	(498)
	Movements in working capital:		
	Decrease in stocks	1,038	711
	(Increase)/decrease in debtors	(222)	1,704
	(Decrease) in creditors	(847)	(559)
	Movement on grant provision	(33)	(11)
	Cash (absorbed by)/generated from operations	(331)	1,498

WALL COLMONOY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

28 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	1 January 2014 £'000	31 December 2014 £'000
Equity as reported under previous UK GAAP		14,984	10,307
Adjustments arising from transition to FRS 102:			
Holiday pay accrual	2	-	(109)
Equity reported under FRS 102		<u>14,984</u>	<u>10,198</u>

Reconciliation of profit or loss

	Notes	2014 £'000
Profit or loss as reported under previous UK GAAP		(2,679)
Net interest cost on defined benefit scheme	1	(156)
Holiday pay accrual	2	(109)
Profit or loss reported under FRS 102		<u>(2,944)</u>

Notes to reconciliations on adoption of FRS 102

Retirement benefit pension scheme

Note 1 - The profit and loss account has been restated to take account of changes to the defined benefit pension liability in accordance with FRS 102. Under FRS 102 the expected return on assets is assumed to be in line with the discount rate. The net interest cost is therefore calculated by applying the discount rate to the scheme's net surplus or deficit. Under FRS 17 the expected return on the underlying assets was used to determine the interest cost. The adoption of FRS 102 has therefore resulted in an increase of £156,000 in the reported loss for the year ended 31 December 2014. The total comprehensive income for the year and the balance sheet position remains unchanged.

Holiday pay accrual

Note 2 - No provision was previously made for unused holiday entitlement. On transition to FRS 102, an accrual for £109,000 was recognised which reduced reported profits for the year ended 31 December 2014 by that amount.