

Registered number: 1032360

## **Farecla Products Limited**

Annual report and financial statements

for the year ended 31 December 2014

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**Farecla Products Limited**

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**Company Information**

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<b>Directors</b>	H B Hawkins B A Freedman I D Maclellan M Haddon R M Selwyn
<b>Registered number</b>	1032360
<b>Registered office</b>	Broadmeads Ware Hertfordshire SG12 9HS
<b>Independent auditor</b>	Ernst & Young LLP One Cambridge Business Park Cambridge CB4 0WZ
<b>Bankers</b>	Natwest Bank plc 2nd Floor Charrington House 1 The Causeway Bishop's Stortford Hertfordshire CM23 2EN

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**Farecla Products Limited**

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## Farecla Products Limited

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### Strategic report for the year ended 31 December 2014

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The directors present their Strategic Report for the year ended 31 December 2014.

#### Principal activity

The company's principal activity continues to be that of manufacturing, marketing and distributing of automotive and other allied products. There have not been any significant changes in the company's principal activity in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activity in the next year.

#### Business review

The company has maintained the strong sales level achieved in 2013 and margins have decreased slightly due to a change in sales mix. This together with the continued strong control of costs has resulted in a further improvement of the operating result.

#### Financial key performance indicators

	2014	2013	Change
	£000	£000	%
Turnover	15,955	16,082	-0.79%
Gross margin	8,948	9,183	-2.56%
% of sales	56%	57%	-
Operating profit	2,682	1,950	37.54%
% of sales	17%	12%	-

Given the prevailing economic conditions, the directors consider the results to be satisfactory.

#### Principal risks and uncertainties

The company's operations expose it to a variety of financial risks which include price, credit, liquidity, interest rate and investment risk. The company manages foreign exchange risk via natural hedges in purchasing and selling, and actively managing currency amounts held by companies within the group. The board of directors have agreed policies which are implemented by the company's finance department.

##### Price risk

The company is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services it purchases in and outside the UK. The company has no exposure to equity securities price risk as it holds only unlisted investments.

##### Credit risk

The company has a policy of insuring its overseas debts where practicable. In addition, it has implemented policies that require appropriate credit checks on potential customers before sales are made. Once the account is open, the company adopts the agreed credit control policies.

##### Liquidity risk

The company would consider a mixture of long term and short term finance when appropriate to ensure the company had sufficient available funds for operations and planned expansions.

##### Interest rate risk

The company has interest bearing assets and has no interest bearing liabilities. Interest bearing assets include only cash balances. The directors will revisit the appropriateness of the policy should the company's operations change in size or nature.

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**Farecla Products Limited**

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**Strategic report (continued)  
for the year ended 31 December 2014**

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**Principal risks and uncertainties (continued)**

**Investment risk**

The company has investments in subsidiaries and continually keeps under review the trading performance and prospects of the subsidiary businesses in considering the risks of its investments.

This report was approved by the board on *27 May 2015* and signed on its behalf.



**I D Maclellan**  
Director

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**Farecla Products Limited**

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**Directors' report  
for the year ended 31 December 2014**

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The directors present their report and the financial statements for the year ended 31 December 2014.

**Results and dividends**

The profit for the year, after taxation, amounted to £2,196,219 (2013 - £1,579,653).

A dividend of £500,000 (2013: £350,000) on ordinary shares was paid during the year to Surface Solutions International Limited.

**Going concern**

The company's business activities and its exposure to financial risk are described in the Strategic report.

The company remains in a cash positive position and with its wide spread of customers around the world, the directors believe the company is well placed to manage its business risks successfully, despite the current element of uncertainty in the market place.

The directors have considered forecast cash flow projections for the period up to the end of May 2016 and consider that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Directors**

The directors who served during the year were:

H B Hawkins  
B A Freedman  
I D Maclellan  
R J Petersen (resigned 16 July 2014)  
M Haddon  
R M Selwyn

**Political and charitable contributions**

During the year, the company made charitable donations of £5,049 (2013: £3,274).

**Qualifying third party indemnity provisions**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force at the date of approving the directors' report.

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**Farecla Products Limited**

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**Directors' report  
for the year ended 31 December 2014**

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**Disclosure of information to auditor**

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

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

**Auditor**

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

This report was approved by the board on *27 May 2015* and signed on its behalf.



**I D Maclellan**  
Director

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**Farecla Products Limited**

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**Directors' responsibilities statement  
for the year ended 31 December 2014**

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The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.



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## **Independent auditor's report to the members of Farecla Products Limited**

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We have audited the financial statements of Farecla Products Limited for the year ended 31 December 2014, which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 23. 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).

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 Auditors' 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 5, 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 Strategic report and the Directors' 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

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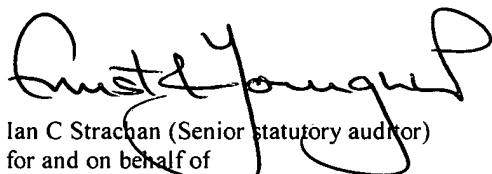
## Independent auditor's report to the members of Farecla Products Limited

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### 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.



Ian C Strachan (Senior statutory auditor)

for and on behalf of

**Ernst & Young LLP**

Statutory Auditor

Cambridge

Date: 1 June 2018

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**Farecla Products Limited**

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**Profit and loss account  
for the year ended 31 December 2014**

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	Note	2014 £	2013 £
<b>Turnover</b>	1,2	15,954,605	16,082,469
Cost of sales		<u>(7,006,283)</u>	<u>(6,899,492)</u>
<b>Gross profit</b>		8,948,322	9,182,977
Distribution costs		(3,162,110)	(4,062,947)
Administrative expenses		<u>(3,104,483)</u>	<u>(3,170,422)</u>
<b>Operating profit</b>	3	2,681,729	1,949,608
Interest receivable	6	<u>15,716</u>	<u>2,370</u>
<b>Profit on ordinary activities before taxation</b>		2,697,445	1,951,978
Tax on profit on ordinary activities	7	<u>(501,226)</u>	<u>(372,325)</u>
<b>Profit for the financial year</b>	17	<u><u>2,196,219</u></u>	<u><u>1,579,653</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.


The notes on pages 10 to 20 form part of these financial statements.

**Farecla Products Limited**  
**Registered number: 1032360**

**Balance sheet**  
**as at 31 December 2014**

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Intangible assets	9		36,147		59,855
Tangible assets	10		1,592,792		1,240,214
Investments	11		1,080,495		1,080,495
			<u>2,709,434</u>		<u>2,380,564</u>
<b>Current assets</b>					
Stocks	12	1,094,586		1,270,136	
Debtors	13	4,987,232		4,474,556	
Cash at bank		4,910,101		3,652,704	
		<u>10,991,919</u>		<u>9,397,396</u>	
<b>Creditors: amounts falling due within one year</b>	14	(2,409,996)		(2,183,151)	
<b>Net current assets</b>			<u>8,581,923</u>		<u>7,214,245</u>
<b>Total assets less current liabilities</b>			<u>11,291,357</u>		<u>9,594,809</u>
<b>Provisions for liabilities</b>					
Deferred tax	15		(66,241)		(65,912)
<b>Net assets</b>			<u><u>11,225,116</u></u>		<u><u>9,528,897</u></u>
<b>Capital and reserves</b>					
Called up share capital	16		100,000		100,000
Profit and loss account	17		11,125,116		9,428,897
<b>Shareholders' funds</b>	18		<u><u>11,225,116</u></u>		<u><u>9,528,897</u></u>

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

27 May 2015  
  
**I D Maclellan**  
 Director

The notes on pages 10 to 20 form part of these financial statements.

**Notes to the financial statements  
for the year ended 31 December 2014**

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**1. Accounting policies**

**1.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**1.2 Group financial statements**

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**1.3 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

**1.4 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**1.5 Goodwill**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

**1.6 Intangible fixed assets**

Acquired intangible fixed assets are capitalised at cost and amortised evenly over the directors' estimate of their respective useful economic life.

Acquired product technology is amortised evenly over the directors' estimate of its respective useful economic life of 5 years. The related amortisation expense is taken to the administrative expenses line in the profit and loss account.

**Notes to the financial statements  
for the year ended 31 December 2014**

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**1. Accounting policies (continued)**

**1.7 Tangible fixed assets and depreciation**

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

Short leasehold improvements	-	Over the term of the lease
Plant & machinery	-	25 % Written down value
Motor vehicles	-	25% - 33.33% On cost
Fixtures & fittings	-	10% - 33.33% On cost
Tooling	-	33% On cost

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

**1.8 Investments**

Fixed asset investments are shown at cost less any provision for impairment.

**1.9 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.10 Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associated and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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**Farecla Products Limited**

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**Notes to the financial statements  
for the year ended 31 December 2014**

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**1. Accounting policies (continued)****1.11 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

**1.12 Operating leases**

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

**1.13 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**1.14 Research and development**

Research and development costs are written off in the period in which they incurred.

**2. Turnover**

The directors are of the opinion that disclosure of a geographical analysis of turnover would be seriously prejudicial to the company's business.

**3. Operating profit**

The operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Amortisation - intangible fixed assets	23,708	11,611
Depreciation of tangible fixed assets:		
- owned by the company	265,202	256,495
Auditor's remuneration	17,500	14,000
Auditor's remuneration - non-audit	6,725	17,500
Operating lease rentals:		
- other operating leases	128,750	168,212
Difference on foreign exchange	(95,301)	29,093
Research and development expenditure written off	353,507	414,420
Pension costs	111,226	116,419
Loss on disposal of fixed assets	55,956	-

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**Farecla Products Limited**

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**Notes to the financial statements  
for the year ended 31 December 2014**

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**4. Directors' remuneration**

	2014 £	2013 £
Remuneration	715,473	852,116
Company pension contributions to defined contribution pension schemes	24,248	31,471
Compensation for loss of office	-	15,510

During the year retirement benefits were accruing to 2 directors (2013 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £450,054 (2013 - £472,890).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £18,460 (2013 - £16,792).

**5. Staff costs**

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

	2014 £	2013 £
Wages and salaries	2,798,636	3,085,699
Social security costs	305,796	344,874
Other pension costs	111,226	116,419
	3,215,658	3,546,992

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

	2014 No.	2013 No.
Sales and administration	37	44
Production	25	24
	62	68



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**Farecla Products Limited**

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**Notes to the financial statements  
for the year ended 31 December 2014**

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**6. Interest receivable**

	2014 £	2013 £
Bank interest receivable	15,716	2,370

**7. Taxation**

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax (see note below)</b>		
UK corporation tax charge on profit/(loss) for the year	524,409	432,548
Adjustments in respect of prior periods	(23,512)	-
<b>Total current tax</b>	<b>500,897</b>	<b>432,548</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	20,052	(61,392)
Effect of changes in tax rate on opening liability	(1,393)	1,169
Adjustments in respect of previous periods	(18,330)	-
<b>Total deferred tax (see note 15)</b>	<b>329</b>	<b>(60,223)</b>
<b>Tax on profit on ordinary activities</b>	<b>501,226</b>	<b>372,325</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	2,697,445	1,951,978
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	579,766	453,835
<b>Effects of:</b>		
Income not chargeable for tax purposes	(35,305)	(12,910)
Capital allowances in excess of depreciation for year	(79,014)	(11,828)
Adjustments to tax charge in respect of prior periods	(23,512)	-
Short term timing difference leading to an increase in taxation	58,962	43,957
Group relief received for nil payment	-	(40,506)
<b>Current tax charge for the year (see note above)</b>	<b>500,897</b>	<b>432,548</b>

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**Farecla Products Limited**

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**Notes to the financial statements  
for the year ended 31 December 2014**

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**7. Taxation (continued)****Factors that may affect future tax charges**

The main rate of UK corporation tax was reduced from 24% to 23% from 1 April 2013. The Finance Act 2013, enacted on 17 July 2013, reduced further the UK main rate of corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015. Deferred tax has been restated accordingly in these financial statements.

The above changes to the rate of corporation tax will impact the amount of future cash tax payments to be made by the company.

**8. Dividends**

	2014 £	2013 £
Dividends paid on equity capital	500,000	350,000

**9. Intangible fixed assets**

	Patents £	Goodwill £	Total £
<b>Cost</b>			
At 1 January 2014 and 31 December 2014	30,000	116,109	146,109
<b>Amortisation</b>			
At 1 January 2014	30,000	56,254	86,254
Charge for the year	-	23,708	23,708
At 31 December 2014	30,000	79,962	109,962
<b>Net book value</b>			
At 31 December 2014	-	36,147	36,147
At 31 December 2013	-	59,855	59,855

Notes to the financial statements  
for the year ended 31 December 2014

10. Tangible fixed assets

	Short leasehold improve- ments £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Tooling £	Total £
<b>Cost</b>						
At 1 January 2014	141,885	2,435,201	24,504	937,906	130,507	3,670,003
Additions	-	655,605	-	19,813	-	675,418
Disposals	-	(231,855)	-	-	-	(231,855)
At 31 December 2014	141,885	2,858,951	24,504	957,719	130,507	4,113,566
<b>Depreciation</b>						
At 1 January 2014	105,543	1,513,271	22,589	757,940	30,446	2,429,789
Charge for the year	4,125	117,814	1,915	97,889	43,459	265,202
On disposals	-	(174,217)	-	-	-	(174,217)
At 31 December 2014	109,668	1,456,868	24,504	855,829	73,905	2,520,774
<b>Net book value</b>						
At 31 December 2014	32,217	1,402,083	-	101,890	56,602	1,592,792
At 31 December 2013	36,342	921,930	1,915	179,966	100,061	1,240,214

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**Farecla Products Limited**

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**Notes to the financial statements  
for the year ended 31 December 2014**

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**11. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2014 and 31 December 2014	1,730,695
<b>Impairment</b>	
At 1 January 2014 and 31 December 2014	650,200
<b>Net book value</b>	
At 31 December 2014	1,080,495
At 31 December 2013	1,080,495

**Principal company investments**

The company has investments in the following subsidiary undertakings:

Company	Country of registration or incorporation	Class of shares held	%	Nature of business
Farecla Products Inc	USA	Ordinary	100	Distributor of surface finishing products
Blaze Venture Technologies Limited	UK	Ordinary	100	Non-trading company
L-Tec Lacktechnik GmbH	Germany	Ordinary	100	Distributor of surface finishing products

**12. Stocks**

	2014 £	2013 £
Raw materials	405,323	401,924
Work in progress	6,553	10,523
Finished goods and goods for resale	682,710	857,689
	<u>1,094,586</u>	<u>1,270,136</u>

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**Farecla Products Limited**

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**Notes to the financial statements  
for the year ended 31 December 2014**

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**13. Debtors**

	2014 £	2013 £
Trade debtors	3,596,742	2,997,484
Amounts owed by group undertakings	1,164,612	1,188,956
Other debtors	52,695	75,539
Prepayments and accrued income	173,183	212,577
	<u>4,987,232</u>	<u>4,474,556</u>

**14. Creditors:  
Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	729,782	499,511
Amounts owed to group undertakings	3,389	3,390
Corporation tax	251,279	430,179
Other taxation and social security	165,556	120,283
Accruals and deferred income	1,259,990	1,129,788
	<u>2,409,996</u>	<u>2,183,151</u>

**15. Deferred taxation**

	2014 £	2013 £
At beginning of year	65,912	126,135
Charge for/(released during) year	18,659	(41,670)
Other movement	(18,330)	(18,553)
	<u>66,241</u>	<u>65,912</u>

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	172,006	121,067
Other timing differences	(105,765)	(55,155)
	<u>66,241</u>	<u>65,912</u>

## Farecla Products Limited

### Notes to the financial statements for the year ended 31 December 2014

#### 16. Share capital

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
100,000 Ordinary shares of £1 each	100,000	100,000

#### 17. Reserves

	Profit and loss account £
At 1 January 2014	9,428,897
Profit for the financial year	2,196,219
Dividends: Equity capital	(500,000)
At 31 December 2014	11,125,116

#### 18. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	9,528,897	8,299,244
Profit for the financial year	2,196,219	1,579,653
Dividends (Note 8)	(500,000)	(350,000)
Closing shareholders' funds	11,225,116	9,528,897

#### 19. Pension commitments

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they accrue. The charge for the year was £111,226 (2013: £116,419).

#### 20. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
<b>Expiry date:</b>				
Within 1 year	-	-	10,305	98,728
Between 2 and 5 years	257,200	257,200	145,599	47,913

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**Farecla Products Limited**

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**Notes to the financial statements  
for the year ended 31 December 2014**

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**21. Related party transactions**

The company is a wholly owned subsidiary of Surface Solutions International Limited, the group financial statements of which are publicly available. Accordingly the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the group headed by Surface Solutions International Limited.

**22. Directors' benefits: advances, credit and guarantees**

The company paid rent of £250,000 (2013: £250,000) to Hawkins Property Company Limited, a company connected with Mrs H B Hawkins and Mrs B A Freedman. During the year the company charged Hawkins Property Company Limited £nil (2013: £nil) in respect of a proportion of Mrs H B Hawkins salary.

**23. Ultimate parent undertaking and controlling party**

The directors regard Surface Solutions International Limited as the company's ultimate parent undertaking and the Trustees of the Tower Trust as the ultimate controlling party. Surface Solutions International Limited is registered in England and Wales and has included the company in its group financial statements, copies of which are available from Broadmeads, Ware, Hertfordshire, SG12 9HS.