

Glenson (Holdings) Limited

Directors' report and financial statements

31 December 2008

Registered number 1224635

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Glenson (Holdings) Limited

Directors' report and financial statements

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Glenson (Holdings) Limited

Directors' report

The directors submit their report and the audited financial statements for the year ended 31 December 2008.

Principal activity

Since the transfer of its business of the manufacture and sale of flexible metallic tubing and hose assemblies to a subsidiary undertaking, the company has acted as a holding company, providing management and property services to its trading subsidiaries.

Business review

As turmoil in global financial markets and the associated climate of uncertainty intensified into recession, the company's subsidiaries all experienced falling demand during the second half of the year, leading to mostly decreased operating profitability.

In Silflex Limited, the impact of a contracting market was mitigated by the acquisition on 31 December 2008 of the similar business and assets of its sister company, Samco Silicone Products Limited, with effect from 1 January 2008, under a group re-organisation, so that overall turnover increased by 15%. Record high commodity prices fed through to significantly increased silicone costs, and although the cost of modest pay increases was partly countered by a scaling back of overtime, these costs combined with the costs of restructuring the newly combined business led to a disappointing fall in operating profitability.

LIC Components Limited did well through improved efficiencies to maintain similar levels of turnover and raw margins despite unprecedented increases in raw material prices, and reduced professional costs as the business wound up its defined benefit pension scheme early in the year, combined with reduced depreciation, allowed a modest improvement in operating profitability. The increased value of stock, extended customer payment terms and investments in plant combined to increase working capital funded by lending from the company.

Bowbros Limited made significant progress in eliminating the inefficiencies of the prior year incurred as it scaled its operations up over a relatively short period of time, however falling turnover combined with increased transport costs and foreign exchange losses led to a deterioration in operating profit to 3.5% from 8.4% in 2007. Through improved administration of its export sales the business was again able to reduce its working capital and generate cash, repaying a further significant proportion of lending from the company.

Glenson (Holdings) Limited

Directors' report *(continued)*

Business review *(continued)*

Details of the results of the company for the year are as follows:-

	2008 £	2007 £
Turnover	<u>130,000</u>	<u>150,000</u>
Profit on ordinary activities before taxation	824,450	381,077
Taxation	<u>(9,766)</u>	<u>(30,680)</u>
Retained profit for the financial year	<u>814,684</u>	<u>350,397</u>

The turnover of £130,000 all relates to the principal activity noted above.

The contribution of the managements and employees of the company's subsidiaries to these results during difficult trading conditions is both recognised and appreciated.

The outlook for 2009 remains difficult, as severe recessionary conditions continue to affect manufacturing worldwide and suppress demand, and whilst most subsidiaries are well placed to benefit in their export markets from the more competitive Pound, improved demand is not expected to come soon enough to prevent further reductions in turnover. Silflex Limited is increasing investment in new markets in anticipation of an export-led recovery, and these costs are expected to limit any improvement in operating profitability. LIC Components Limited has introduced flexible working arrangements in order to control costs but expects to trade significantly below breakeven, in part due to its decision to maintain its investment in skilled labour in anticipation of an export-led recovery leading to a return to profitability in the final quarter.

Bowbros Limited has been forced to scale back production faced with falling demand in certain of its UK markets, as well as introduce flexible working arrangements more generally in order to control costs, and the fall in Sterling against the Dollar has damaged margins in its export markets, and whilst there are early signs of modest recovery in demand, these are not expected to come soon enough to prevent a further deterioration in results.

Notes to key performance indicators

Raw margin is defined as turnover less change in stocks of finished goods and work in progress, less raw materials and consumables, expressed as a percentage of turnover.

Glenson (Holdings) Limited

Directors' report *(continued)*

Financial risk management objectives and policies

The company's principal financial instruments comprise loan account balances due from and to its parent and subsidiary companies, and cash and short-term deposits. The main purpose of these financial instruments is to finance the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risk arising from the company's financial instruments is liquidity risk. The board reviews and agrees policy for managing this risk and this is summarised below:

Liquidity risk

The company carries significant balances owed to its wholly owned subsidiaries by virtue of these subsidiaries lending cash to the company. The company closely monitors the financial performance and position of its investments in subsidiary undertakings in order to control its exposure to liquidity risk, and is able when desirable to approve dividends recommended by subsidiary undertakings in order to convert its liabilities to distributable reserves.

Dividend

The directors do not recommend the payment of a dividend for the year (2007: £Nil).

Fixed assets

Details of movements in fixed assets are set out in note 8 to the financial statements.

Directors

The directors who served throughout the year were:-

Mr MI Lloyd (chairman)
Mrs ME Lloyd
Mr MS Lloyd

Mr MI Lloyd, Mrs ME Lloyd and Mr MS Lloyd are also directors of the ultimate holding company and their interests fall to be disclosed in the financial statements of that company.

Taxation status

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

Glenson (Holdings) Limited

Directors' report *(continued)*

Statement of directors' responsibilities

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 period. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

In so far as the directors are aware:-

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution for the re-appointment of Grant Thornton UK LLP as auditors of the company is to be proposed at the forthcoming annual general meeting.

This report was approved by the board of directors on 23 October 2009 and signed on its behalf by:-



MS Lloyd
Company secretary
Glenson (Holdings) Limited
Registered number 1224635

Summer Hill Works
Powell Street
Birmingham
B1 3DH



Enterprise House
115 Edmund Street
Birmingham
B3 2HJ

Independent auditor's report to the members of Glenson (Holdings) Limited

We have audited the financial statements of Glenson (Holdings) Limited for the year ended 31 December 2008 which comprise the profit and loss account, balance sheet and notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Independent auditor's report to the members of Glenson (Holdings) Limited
(continued)

Basis of opinion (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Grant Thornton UK LLP
Chartered Accountants
Registered Auditors

23 October 2009
Birmingham

Glenison (Holdings) Limited

Profit and loss account for the year ended 31 December 2008

	<i>Note</i>	2008 £	2007 £
Turnover	2	130,000	150,000
Other external charges		<u>(209,338)</u>	<u>(230,294)</u>
		(79,338)	(80,294)
Depreciation and other amounts written off tangible and intangible assets		(58,230)	(57,655)
Other operating income		<u>144,988</u>	<u>146,613</u>
Operating profit		7,420	8,664
Income from shares in group undertakings		743,715	300,000
Net interest receivable	4	<u>73,315</u>	<u>72,413</u>
Profit on ordinary activities before taxation	5	824,450	381,077
Taxation on profit on ordinary activities	7	<u>(9,766)</u>	<u>(30,680)</u>
Retained profit for the financial year	16	<u>814,684</u>	<u>350,397</u>

The movements on reserves and in shareholders' funds are set out in note 16.

All turnover and operating profit arises from continuing activities.

The company has no recognised gains or losses in either the current or preceding year other than the profits for those years.

Glenison (Holdings) Limited

Balance sheet at 31 December 2008

	Note	2008		2007	
		£	£	£	£
Fixed assets					
Tangible assets	8		2,460,577		2,472,897
Investments	9		334,104		334,105
			<u>2,794,681</u>		<u>2,807,002</u>
Current assets					
Debtors	10	493,359		565,152	
Cash at bank and in hand		<u>1,634,509</u>		<u>1,933,060</u>	
		2,127,868		2,498,212	
Creditors: amounts falling due within one year	11	<u>(1,252,830)</u>		<u>(2,446,122)</u>	
Net current assets/(liabilities)					
Due within one year		492,048		(378,066)	
Debtors due after one year		<u>382,990</u>		<u>430,156</u>	
Net current assets			<u>875,038</u>		<u>52,090</u>
Total assets less current liabilities			<u>3,669,719</u>		<u>2,859,092</u>
Creditors: amounts falling due after more than one year	12		(215,220)		(220,209)
Provisions for liabilities and charges	13		<u>(34,909)</u>		<u>(33,977)</u>
Net assets			<u>3,419,590</u>		<u>2,604,906</u>
Capital and reserves					
Called up share capital	15		22,810		22,810
Profit and loss account	16		<u>3,396,780</u>		<u>2,582,096</u>
Shareholders' funds	16		<u>3,419,590</u>		<u>2,604,906</u>

Shareholders' funds are wholly attributable to equity interests.

These financial statements were approved by the board of directors on 23 October 2009 and were signed on its behalf by:-



MI Lloyd
Director



MS Lloyd
Director

Glenison (Holdings) Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been used in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable United Kingdom Accounting Standards.

Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets in equal annual instalments over their estimated useful lives as follows:-

Freehold land	No depreciation
Freehold buildings	40 years
Leasehold land and buildings	40 years or period of lease if shorter

Additions to fixed assets during the accounting period are depreciated at an appropriate proportion of the annual rate attributable to that category of asset.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions. Any amounts receivable or payable at the balance sheet date are converted at the rate then ruling and any differences are taken to the profit and loss account.

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by FRS 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 (amended) for Small Companies.

Glenison (Holdings) Limited

Notes (continued)

2 Turnover

Turnover represents invoiced sales less returns, excluding VAT, in respect of services provided. The analysis of turnover by geographical area is as follows:-

	2008 £	2007 £
United Kingdom	<u>130,000</u>	<u>150,000</u>

3 Staff numbers

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

	2008 Number	2007 Number
Management	<u>3</u>	<u>3</u>

The aggregate payroll costs of these persons were £Nil (2007: £Nil).

4 Net interest receivable/(payable)

	2008 £	2007 £
Interest receivable	73,324	69,920
Bank loans and overdraft repayable within 5 years	(9)	(42)
Other interest	-	2,535
	<u>73,315</u>	<u>72,413</u>

Glenison (Holdings) Limited

Notes (continued)

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting) the following:-

	2008 £	2007 £
Auditors' remuneration	1,200	500
Depreciation	58,230	57,655
Credit in respect of grant release	<u>(4,988)</u>	<u>(6,613)</u>

Fees charged by the company's auditors in respect of work carried out in the year for non audit services amounted to £3,000 (2007: £2,250).

6 Directors' emoluments

No directors received any remuneration nor accrued any pension benefits from the company during the year (2007: £Nil). All directors are paid by other group companies and their emoluments and pension benefits are shown in the financial statements of those companies.

Glenison (Holdings) Limited

Notes (continued)

7 Taxation on profit on ordinary activities

	2008 £	2007 £
Corporation tax based on the adjusted profit for the year at 28.5% less marginal relief (2007: adjusted profit at 30% less marginal relief)	8,834	24,851
Deferred taxation	932	5,829
	<u>9,766</u>	<u>30,680</u>

Factors affecting current tax charge for the year

The tax assessed for the year is lower than (2007: lower than) the standard rate of corporation tax in the UK being 28% (2007: 30%). The differences are explained below:-

Profit on ordinary activities before taxation	824,450	381,077
Corporation tax on above at the standard UK rate of 28% (2007: 30%).	230,846	114,323
Effects of:-		
Industrial building allowances less than depreciation	5,034	2,990
Utilisation of tax losses	(16,165)	-
Marginal relief	(2,844)	(2,462)
Change in standard UK rate	203	-
Dividends from UK subsidiaries	(208,240)	(90,000)
Current tax charge for the year	<u>8,834</u>	<u>24,851</u>

Glenison (Holdings) Limited

Notes (continued)

8 Tangible assets

	Freehold land	Freehold buildings	Long leasehold property	Total
Cost	£	£	£	£
At beginning of year	474,275	1,470,808	835,365	2,780,448
Additions	-	45,910	-	45,910
	<u>474,275</u>	<u>1,516,718</u>	<u>835,365</u>	<u>2,826,358</u>
At end of year	474,275	1,516,718	835,365	2,826,358
Depreciation				
At beginning of year	-	196,170	111,381	307,551
Charge for the year	-	37,346	20,884	58,230
	<u>-</u>	<u>233,516</u>	<u>132,265</u>	<u>365,781</u>
At end of year	-	233,516	132,265	365,781
Net book value				
At 31 December 2008	<u>474,275</u>	<u>1,283,202</u>	<u>703,100</u>	<u>2,460,577</u>
At 31 December 2007	<u>474,275</u>	<u>1,274,638</u>	<u>723,984</u>	<u>2,472,897</u>

Capital commitments

The company had no contractual commitments for capital expenditure at 31 December 2008 (2007: £Nil).

Glenison (Holdings) Limited

Notes (continued)

9 Investments

	£
Shares in subsidiary undertakings at cost:-	
At beginning of year	334,105
Disposals	(1)
	<hr/>
At end of year	334,104
	<hr/>

The investments consist of 10,000 £1 ordinary shares and 70,100 £1 redeemable preference shares, being the whole of the issued share capital of Silflex Limited, 10,000 £1 ordinary shares, being the whole of the issued share capital of LIC Components Limited, 4,000 £1 ordinary shares, being the whole of the issued share capital of Bowbros Limited, 10,000 £1 ordinary shares, being the whole of the issued share capital of Glenison Limited, 2 £1 ordinary shares, being the whole of the issued share capital of Samco Sport Limited and 2 £1 ordinary shares, being the whole of the issued share capital of Bowden Bros & Co (Manchester) Limited.

All these subsidiary undertakings are incorporated in Great Britain and registered in England and Wales.

The principal activity of Silflex Limited is the manufacture and sale of silicone flexible hoses and engineering products. The principal activity of LIC Components Limited is the manufacture and sale of repetition turned parts. The principal activity of Bowbros Limited is the manufacture and sale of hose assemblies, valves and fittings for the Gas Industry. Glenison Limited, Samco Sport Limited and Bowden Bros & Co (Manchester) Limited are all dormant.

On 31 December 2008 the company sold its investment of 5,000 £1 ordinary shares, being the whole of the issued share capital of Samco Silicone Products Limited, to Silflex limited for £1, immediately following which Samco Silicone Products Limited sold its trade and assets to Silflex Limited with effect from 1 January 2008. Samco Silicone Products Limited, a company incorporated in Great Britain and registered in England and Wales, has therefore not traded during the year.

Glenison (Holdings) Limited

Notes (continued)

10 Debtors

	2008 £	2007 £
Amounts due from group undertakings - fellow subsidiary	7,506	-
Amounts due from group undertakings - subsidiary	453,309	555,156
Other debtors	32,444	9,896
Prepayments	100	100
	<u>493,359</u>	<u>565,152</u>

Included within amounts due from subsidiary undertakings is £382,990 (2007: £430,156) falling due after more than one year.

11 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	4,621	-
Amounts due to group undertakings - parent	165,000	180,000
Amounts due to group undertakings - fellow subsidiary	27,904	6,517
Amounts due to group undertakings - subsidiary	1,039,370	2,224,087
Other creditors including taxation and social security	6,615	31,465
Accruals	9,320	4,053
	<u>1,252,830</u>	<u>2,446,122</u>

Other creditors including taxation and social security comprise:-

Corporation tax	-	24,851
Other creditors	6,615	6,614
	<u>6,615</u>	<u>31,465</u>

12 Creditors: amounts falling due after more than one year

An analysis of creditors: amounts falling due after more than one year, is as follows:-

Other creditors

This is in respect of government grants, received in respect of capital expenditure, which are being released to the profit and loss account proportionately over the estimated useful lives of the related assets. During the year the total amount so released was £4,988 and at the end of the year the balance remaining to be released was £221,835, of which £6,615 is included within other creditors falling due within one year (see note 11).

Glenison (Holdings) Limited

Notes (continued)

13 Provisions for liabilities and charges

	2008 £	2007 £
Deferred taxation liability (see note 14)	<u>34,909</u>	<u>33,977</u>

14 Deferred taxation

	£
Liability at beginning of year	(33,977)
Profit and loss charge for year	<u>(932)</u>
Liability at end of year	<u>(34,909)</u>

The amounts of deferred taxation provided and unprovided are set out below:-

	2008		2007	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and amortisation and capital allowances	<u>(34,909)</u>	<u>-</u>	<u>(33,977)</u>	<u>-</u>
Deferred taxation liabilities	<u>(34,909)</u>	<u>-</u>	<u>(33,977)</u>	<u>-</u>

15 Called up share capital

	2008 £	2007 £
Authorised:		
Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
Allotted:		
Ordinary shares of £1 each	<u>27,500</u>	<u>27,500</u>
Called up and paid:		
Ordinary shares of £1 each	<u>22,810</u>	<u>22,810</u>

Glenison (Holdings) Limited

Notes (continued)

16 Reserves and reconciliation of movements in shareholders' funds

	Share capital	Profit and loss account	Total
	£	£	£
At beginning of year	22,810	2,582,096	2,604,906
Retained profit for the financial year	-	814,684	814,684
	<hr/>	<hr/>	<hr/>
At end of year	22,810	3,396,780	3,419,590
	<hr/>	<hr/>	<hr/>

17 Related party transactions

The aggregate value of transactions made during the year in the normal course of business between the company and group undertakings, were as follows:-

	2008 £	2007 £
Charges for management and property services provided by parent company	165,000	180,000
Charges for management and property services provided to subsidiaries	270,000	290,000
	<hr/>	<hr/>

Balances due from and to group undertakings are disclosed within the debtors and creditors notes above.

18 Ultimate parent company

Group financial statements are not submitted as the company is a subsidiary of Currie & Warner (Holdings) Limited, incorporated in Great Britain and registered in England & Wales. In the opinion of the directors, the investment in and amount due from the company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

The ultimate parent company is Currie & Warner (Holdings) Limited, incorporated in Great Britain and registered in England and Wales.

The results of the company are incorporated into the consolidated financial statements of Currie & Warner (Holdings) Limited. Copies of these financial statements can be obtained from Summer Hill Works, Powell Street, Birmingham, B1 3DH.