

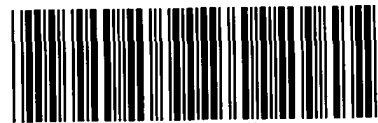
# Financial Statements

## Currie & Warner (Holdings) Limited

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For the Year Ended 31 December 2016

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COMPANIES HOUSE

Registered number: 01619615

**Currie & Warner (Holdings) Limited**

## Company Information

<b>Directors</b>	Mr MI Lloyd (chairman) Mrs ME Lloyd Mr MS Lloyd
<b>Company secretary</b>	Mr MS Lloyd
<b>Registered number</b>	01619615
<b>Registered office</b>	Summer Hill Works Powell Street Birmingham B1 3DH
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Colmore Building 20 Colmore Circus Birmingham B4 6AT

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## Group Strategic Report

For the Year Ended 31 December 2016

### Business review

The company's subsidiaries produced generally improved operating profitability during the year, which combined with currency gains and the profit on disposal of a property held for resale, contributed to a strong recovery in group operating profit.

Currie & Warner Limited experienced a 6% fall in turnover as a consequence of further falls in demand from the oil and gas market, and despite improved raw margins the reduced turnover, combined with its decision to maintain investment in skilled staff and further high depreciation charges, resulted in only a modest improvement in operating profitability. Peppers Cable Glands Limited experienced similar turnover to the prior year as low oil prices continued to suppress demand within the oil and gas market, however by further improving raw margins despite persistently high raw material prices, combined with currency gains, the business delivered a significant improvement in operating profit. Further increases in the costs of employment offset a slight improvement in turnover at Silflex Limited, resulting in a small fall in operating profit for the year.

The contribution of the managements and employees of the company's subsidiaries to the results for the year is both recognised and appreciated.

The outlook for 2017 at Currie & Warner Limited shows further signs of improvement, with increased demand expected to result in a gradual recovery in operating profit, whilst at Peppers Cable Glands Limited similar subdued demand within the oil and gas market is nevertheless expected to result in another year of excellent operating profitability. The outlook for demand at Silflex Limited during 2017 is similar, and despite significant increases in raw material prices combined with yet further increases in the costs of employment, the business anticipates delivering a similar level of operating profit.

#### *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.

### Financial risk management objectives and policies

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

#### Credit risk

The group trades with only recognised, creditworthy third parties. It is the group policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant.

This report was approved by the board on 27 September 2017 and signed on its behalf.



Mr MS Lloyd  
Director

## **Directors' Report**

**For the Year Ended 31 December 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

### **Principal activity**

The principal activities of the group are the manufacture and sale of brass repetition turned parts, electrical cable glands, and silicone flexible hoses and engineering products. There have been no significant changes in these activities during the year.

### **Results and dividends**

The profit for the year, after taxation and non-controlling interests, amounted to £1,209,977 (2015 - £751,634).

An interim dividend of £1,228.00 per share amounting to £1,228,000 (2015 - £374,160) was paid on 1 April 2016. The directors do not recommend the payment of a final dividend.

### **Post balance sheet events**

There have been no significant events affecting the group since the year end.

### **Matters covered in the strategic report**

Financial risk management objectives and policies and a review of the business have been included in the Group Strategic Report on page 1.

### **Directors**

The directors who served during the year were:

Mr MI Lloyd (chairman)

Mrs ME Lloyd

Mr MS Lloyd

## **Directors' Report (continued)**

**For the Year Ended 31 December 2016**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group financial statements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group 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.

### **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 the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that 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, Grant Thornton UK 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 September 2017 and signed on its behalf.



**Mr MS Lloyd**  
Director

## Independent Auditor's Report to the Members of Currie & Warner (Holdings) Limited

We have audited the financial statements of Currie & Warner (Holdings) Limited for the year ended 31 December 2016, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statements of Changes in Equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Directors' Responsibilities Statement 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 Practice Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Qualified opinion on financial statements**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the group's and the company's affairs as at 31 December 2016 and of the group's 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.

### **Basis for qualified opinion on financial statements**

As more fully explained in note 24 to the financial statements, no provision has been made in either the current or comparative periods, for the assets and liabilities which arise on the adoption of Section 28 'Employee Benefits' of FRS 102 in relation to the group's defined benefit pension scheme. We also note that the disclosure requirements in relation to the group's defined benefit pension scheme as required by Section 28 of FRS 102 have been omitted from these financial statements. As no information is available to us in respect of assets and liabilities of the scheme at 31 December 2016, we have been unable to quantify the omissions.



## Independent Auditor's Report to the Members of Currie & Warner (Holdings) Limited (continued)

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

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

### **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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

*Grant Thornton UK LLP*

Natalie Gladwin (Senior Statutory Auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
Birmingham

27 September 2017



# Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	15,047,565	14,884,793
Change in stocks of finished goods and work in progress		7,042	(349,009)
Other operating income		6,616	6,614
Raw materials and consumables		(6,351,689)	(6,056,466)
Other external charges		(1,159,110)	(1,561,140)
Profit on disposal of property held for resale		433,428	-
Staff costs	5	(5,883,964)	(5,529,316)
Depreciation and amortisation		(354,239)	(366,854)
<b>Operating profit</b>	7	<b>1,745,649</b>	<b>1,028,622</b>
Interest receivable and similar income	8	58,183	58,792
<b>Profit before tax</b>		<b>1,803,832</b>	<b>1,087,414</b>
Tax on profit	9	(306,469)	(228,874)
<b>Profit for the year</b>		<b>1,497,363</b>	<b>858,540</b>
<b>Profit for the year attributable to:</b>			
Non-controlling interests		287,386	106,906
Owners of the company		1,209,977	751,634
		<b>1,497,363</b>	<b>858,540</b>

All amounts relate to continuing operations.

There was no other comprehensive income for 2016 (2015 - £Nil).

The notes on pages 12 to 28 form part of these financial statements.


## Consolidated Statement of Financial Position

As at 31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	12	3,009,976	3,207,444
<b>Current assets</b>			
Stocks	15	3,931,359	4,132,727
Debtors	16	2,865,600	2,203,931
Cash at bank and in hand	17	12,146,588	11,762,050
		<u>18,943,547</u>	<u>18,098,708</u>
Creditors: amounts falling due within one year	18	(2,203,476)	(1,797,248)
<b>Net current assets</b>		<u>16,740,071</u>	<u>16,301,460</u>
<b>Total assets less current liabilities</b>		<u>19,750,047</u>	<u>19,508,904</u>
Creditors: amounts falling due after more than one year	19	(162,496)	(169,110)
<b>Provisions for liabilities</b>			
Deferred tax	21	(34,735)	(56,341)
<b>Net assets</b>		<u>19,552,816</u>	<u>19,283,453</u>
<b>Capital and reserves</b>			
Called up share capital	22	1,000	1,000
Profit and loss account	23	15,818,526	15,836,549
<b>Equity attributable to owners of the company</b>		<u>15,819,526</u>	<u>15,837,549</u>
Non-controlling interests		<u>3,733,290</u>	<u>3,445,904</u>
<b>Shareholders' funds</b>		<u>19,552,816</u>	<u>19,283,453</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2017.

  
Mr MI Lloyd  
Director

  
Mr MS Lloyd  
Director

The notes on pages 12 to 28 form part of these financial statements.

# Company Statement of Financial Position

As at 31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	12	311,670	313,131
Investments	13	117,965	117,965
Investment property	14	500,000	500,000
		<u>929,635</u>	<u>931,096</u>
<b>Current assets</b>			
Debtors	16	1,074,279	1,558,687
Cash at bank and in hand	17	4,720,036	4,703,323
		<u>5,794,315</u>	<u>6,262,010</u>
Creditors: amounts falling due within one year	18	(123,631)	(54,294)
<b>Net current assets</b>		<u>5,670,684</u>	<u>6,207,716</u>
<b>Total assets less current liabilities</b>		<u>6,600,319</u>	<u>7,138,812</u>
<b>Provisions for liabilities</b>			
Deferred taxation	21	(26,872)	(27,438)
<b>Net assets</b>		<u><u>6,573,447</u></u>	<u><u>7,111,374</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	1,000	1,000
Non-distributable reserves	23	106,105	106,105
Profit and loss account	23	6,466,342	7,004,269
<b>Shareholders' funds</b>		<u><u>6,573,447</u></u>	<u><u>7,111,374</u></u>

The company profit for the year was £690,073 (2015 - £602,977).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2017.



Mr MI Lloyd  
Director



Mr MS Lloyd  
Director

The notes on pages 12 to 28 form part of these financial statements.

## Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Equity attributable to owners of company	Non- controlling interests	Total equity
	£	£	£	£	£
At 1 January 2016	1,000	15,836,549	15,837,549	3,445,904	19,283,453
<b>Comprehensive income for the year</b>					
Profit for the year	-	1,209,977	1,209,977	287,386	1,497,363
<b>Total comprehensive income for the year</b>	-	1,209,977	1,209,977	287,386	1,497,363
Dividends: Equity capital	-	(1,228,000)	(1,228,000)	-	(1,228,000)
<b>At 31 December 2016</b>	<b>1,000</b>	<b>15,818,526</b>	<b>15,819,526</b>	<b>3,733,290</b>	<b>19,552,816</b>

## Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2015

	Called up share capital	Profit and loss account	Equity attributable to owners of company	Non- controlling interests	Total equity
	£	£	£	£	£
At 1 January 2015	1,000	15,459,075	15,460,075	3,338,998	18,799,073
<b>Comprehensive income for the year</b>					
Profit for the year	-	751,634	751,634	106,906	858,540
<b>Total comprehensive income for the year</b>	-	751,634	751,634	106,906	858,540
Dividends: Equity capital	-	(374,160)	(374,160)	-	(374,160)
<b>At 31 December 2015</b>	<b>1,000</b>	<b>15,836,549</b>	<b>15,837,549</b>	<b>3,445,904</b>	<b>19,283,453</b>

The notes on pages 12 to 28 form part of these financial statements.

## Company Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called up share capital	Non- distributable reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	1,000	106,105	7,004,269	7,111,374
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	690,073	690,073
<b>Total comprehensive income for the year</b>	-	-	690,073	690,073
Dividends: Equity capital	-	-	(1,228,000)	(1,228,000)
<b>At 31 December 2016</b>	<b>1,000</b>	<b>106,105</b>	<b>6,466,342</b>	<b>6,573,447</b>

## Company Statement of Changes in Equity

For the Year Ended 31 December 2015

	Called up share capital	Non- distributable reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	1,000	106,105	6,775,452	6,882,557
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	602,977	602,977
<b>Total comprehensive income for the year</b>	-	-	602,977	602,977
Dividends: Equity capital	-	-	(374,160)	(374,160)
<b>At 31 December 2015</b>	<b>1,000</b>	<b>106,105</b>	<b>7,004,269</b>	<b>7,111,374</b>

The notes on pages 12 to 28 form part of these financial statements.

## Consolidated Statement of Cash Flows

For the Year Ended 31 December 2016

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,497,363	858,540
<b>Adjustments for:</b>		
Depreciation of tangible assets	354,239	366,854
Profit on disposal of tangible assets	(447,128)	(100)
Decrease in stocks	201,368	135,826
Interest receivable	(58,183)	(58,792)
Tax on profit	306,469	228,874
(Increase)/decrease in debtors	(659,582)	486,823
Increase/(decrease) in creditors	326,539	(9,584)
Corporation tax paid	(255,000)	(358,113)
<b>Net cash generated from operating activities</b>	<b>1,266,085</b>	<b>1,650,328</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(293,578)	(237,591)
Proceeds from sale of tangible fixed assets	583,935	100
Interest received	56,096	59,548
<b>Net cash from investing activities</b>	<b>346,453</b>	<b>(177,943)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(1,228,000)	(374,160)
<b>Net cash used in financing activities</b>	<b>(1,228,000)</b>	<b>(374,160)</b>
<b>Net increase in cash and cash equivalents</b>	<b>384,538</b>	<b>1,098,225</b>
Cash and cash equivalents at beginning of year	11,762,050	10,663,825
<b>Cash and cash equivalents at the end of year</b>	<b>12,146,588</b>	<b>11,762,050</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	12,146,588	11,762,050
	<b>12,146,588</b>	<b>11,762,050</b>

The notes on pages 12 to 28 form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 1. Company information

Currie & Warner (Holdings) Limited is a limited liability company incorporated in England and Wales. The registered office address is Summer Hill Works, Powell Street, Birmingham, B1 3DH.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in applying the group's accounting policies (see note 3).

The following principal accounting policies have been applied:

### 2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 2. Accounting policies (continued)

### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following bases:

Freehold land	- No depreciation
Freehold buildings	- 40 years
Leasehold property	- 40 years or period of lease if shorter
Property held for resale	- No depreciation
Plant and machinery	- Between 5 and 15 years
Fixtures, fittings, tooling and equipment	- Between 4 and 10 years
Motor vehicles	- Between 3 and 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

### 2.5 Operating leases: lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the period of the lease.

### 2.6 Investment property

Investment property is carried at fair value determined annually based on knowledge of the local property market and consideration of sales prices of similar properties. Additionally, fair value is determined with reference to the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.



# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 2. Accounting policies (continued)

### 2.8 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis or an average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

### 2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

### 2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

### 2.11 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position when there is an 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.

### 2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 2. Accounting policies (continued)

### 2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

### 2.14 Pensions

#### Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payments obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of Financial Position. The assets of the plan are held separately from the group in independently administered funds.

### 2.15 Foreign currency translation

#### Functional and presentation currency

The group's functional and presentational currency is GBP.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

### 2.16 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 2. Accounting policies (continued)

### 2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item recognised directly in equity is also recognised directly in equity.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Consolidated Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## 3. Judgements in applying accounting policies and key sources of estimation uncertainty

### Significant judgements and estimates

Preparation of the financial statements requires the directors to make significant judgements and estimates, including the following:

#### Valuation of investment properties

Investment properties are revalued to fair value at each year end. Fair value is considered to be open market value which is determined based on knowledge of the local property markets and consideration of sales prices of similar properties.

#### Trade debtors

Trade debtors consist of amounts due from customers. An allowance for doubtful debt is maintained for estimated losses resulting from the viability of the group's customers to make required payment. The allowance is based on the group's regular assessment of the credit worthiness and financial conditions of customers.

#### Stock

Certain factors could affect the realisable value of the group's stocks, including customer demand and market conditions. The directors consider historic usage, expected demand, anticipated sales price, product obsolescence and other factors when evaluating the value of stock.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 4. Analysis of turnover

The analyses of turnover by activity and geographical area are as follows:

	2016 £	2015 £
Brass repetition turned parts	3,713,045	3,708,104
Electrical cable glands	6,279,520	6,271,569
Silicone flexible hoses and engineering products	5,055,000	4,905,120
	<u>15,047,565</u>	<u>14,884,793</u>
	2016 £	2015 £
United Kingdom	5,101,735	4,805,312
Rest of Europe	5,976,889	6,239,979
North America	2,147,692	1,881,561
Middle East	1,020,600	931,912
Far East and Australia	630,853	884,791
Other	169,796	141,238
	<u>15,047,565</u>	<u>14,884,793</u>

## 5. Staff numbers and costs

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

	2016 £	2015 £
Wages and salaries	5,046,782	4,899,303
Social security costs	420,630	415,644
Other pension costs	416,552	214,369
	<u>5,883,964</u>	<u>5,529,316</u>

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

	2016 No.	2015 No.
Management	21	22
Administration and sales	38	35
Production	181	176
	<u>240</u>	<u>233</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 6. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	134,194	160,528
Company pension contributions	1,409	1,355
	<u>135,603</u>	<u>161,883</u>

During the year retirement benefits were accruing to one director (2015 - one) in respect of defined contribution pension schemes.

The directors consider key management personnel to be the board of directors.

## 7. Operating profit

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

	2016 £	2015 £
Depreciation of tangible fixed assets	354,239	366,854
Auditor's remuneration for the audit of the group's financial statements	21,900	27,315
Auditor's remuneration for the audit of the group's pension scheme	5,875	4,275
Auditor's remuneration - non-audit - taxation compliance services	3,260	3,890
Differences on foreign exchange	(430,275)	(67,795)
Operating lease rentals	32,124	32,688
Credit in respect of grant release	6,616	6,614
Stock recognised in cost of sales as an expense	<u>5,660,545</u>	<u>5,710,290</u>

## 8. Interest receivable

	2016 £	2015 £
Bank interest	57,766	58,338
Other interest receivable	417	454
	<u>58,183</u>	<u>58,792</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2016

## 9. Taxation

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	328,075	257,190
<b>Total current tax</b>	<u>328,075</u>	<u>257,190</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(15,971)	(28,316)
Effects of change in tax rate on opening asset/liability	(5,635)	-
<b>Total deferred tax</b>	<u>(21,606)</u>	<u>(28,316)</u>
<b>Taxation on profit</b>	<u>306,469</u>	<u>228,874</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit before tax	<u>1,803,832</u>	<u>1,087,414</u>
Profit multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	360,766	217,483
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,894	1,046
Depreciation on assets not eligible for capital allowances	15,291	14,956
Disposal of property held for resale	(68,623)	-
Change in standard UK rate	-	3,052
Deferred tax rate different to standard UK rate	1,776	-
Change in deferred tax rate	(5,635)	-
Deferred tax adjustments	-	(7,663)
<b>Total tax charge for the year</b>	<u>306,469</u>	<u>228,874</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 9. Taxation (continued)

#### Factors that may affect future tax charges

The main rate of corporation tax has reduced to 19% from 1 April 2017 and will reduce to 17% from 1 April 2020 (a change which was substantively enacted on 6 September 2016 as part of the Finance Act 2016). Deferred tax has been measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the rate and laws that have been enacted or substantively enacted by the Consolidated Statement of Financial Position date.

### 10. Dividends

	2016 £	2015 £
Dividends paid on equity capital	<u>1,228,000</u>	<u>374,160</u>

### 11. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent company for the year was £690,073 (2015 - £602,977).

## Notes to the Financial Statements

For the Year Ended 31 December 2016

**12. Tangible fixed assets**

## Group

	Freehold property £	Long leasehold property £	Short leasehold property £	Property held for resale £	Plant, equipment and motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 January 2016	2,276,326	835,365	124,887	154,364	6,962,138	10,353,080
Additions	-	-	-	-	293,578	293,578
Disposals	-	-	-	(154,364)	(101,188)	(255,552)
At 31 December 2016	<u>2,276,326</u>	<u>835,365</u>	<u>124,887</u>	<u>-</u>	<u>7,154,528</u>	<u>10,391,106</u>
<b>Depreciation</b>						
At 1 January 2016	618,324	278,453	95,882	17,557	6,135,420	7,145,636
Charge for the year	40,776	20,884	3,122	-	289,457	354,239
Disposals	-	-	-	(17,557)	(101,188)	(118,745)
At 31 December 2016	<u>659,100</u>	<u>299,337</u>	<u>99,004</u>	<u>-</u>	<u>6,323,689</u>	<u>7,381,130</u>
<b>Net book value</b>						
At 31 December 2016	<u>1,617,226</u>	<u>536,028</u>	<u>25,883</u>	<u>-</u>	<u>830,839</u>	<u>3,009,976</u>
At 31 December 2015	<u>1,658,002</u>	<u>556,912</u>	<u>29,005</u>	<u>136,807</u>	<u>826,718</u>	<u>3,207,444</u>



## Notes to the Financial Statements

For the Year Ended 31 December 2016

**12. Tangible fixed assets (continued)**

## Company

	Freehold land £	Freehold buildings £	Short leasehold property £	Plant, equipment and motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 January 2016	171,000	208,061	124,887	-	503,948
Transfers	-	-	-	18,300	18,300
At 31 December 2016	171,000	208,061	124,887	18,300	522,248
<b>Depreciation</b>					
At 1 January 2016	-	94,935	95,882	-	190,817
Charge for the year	-	5,201	3,122	4,575	12,898
Transfers	-	-	-	6,863	6,863
At 31 December 2016	-	100,136	99,004	11,438	210,578
<b>Net book value</b>					
At 31 December 2016	171,000	107,925	25,883	6,862	311,670
At 31 December 2015	171,000	113,126	29,005	-	313,131

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 13. Fixed asset investments

Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2016	117,965
At 31 December 2016	<u>117,965</u>
<b>Net book value</b>	
At 31 December 2016	<u>117,965</u>
At 31 December 2015	<u>117,965</u>

The investments consist of 100% of the issued ordinary share capital of Currie & Warner Limited and Peppers Cable Glands Limited, and 51% of the issued ordinary share capital of Glenison (Holdings) Limited. Glenison (Holdings) Limited has investments which consist of 100% of the issued ordinary share capital of Silflex Limited, Glenison Limited, Samco Sport Limited and Jennock Limited. Silflex Limited has investments which consist of 100% of the issued ordinary share capital of Samco Silicone Products Limited. All these subsidiaries are incorporated in Great Britain and registered at the company's registered office address.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

**14. Investment property****Company**

**Freehold  
investment  
property**  
£

**Valuation**

At 1 January 2016

500,000

**At 31 December 2016**

500,000

The 2016 valuations were made by the directors on an open market value for existing use basis.

Investment properties are occupied by subsidiaries.

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2016 £	2015 £
Historic cost	480,809	480,809
Accumulated depreciation and impairment	(134,501)	(127,481)
	<u>346,308</u>	<u>353,328</u>

**15. Stocks**

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Raw materials	1,008,113	1,216,523	-	-
Work in progress	184,535	116,356	-	-
Finished goods	2,738,711	2,799,848	-	-
	<u>3,931,359</u>	<u>4,132,727</u>	<u>-</u>	<u>-</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2016

**16. Debtors**

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	2,498,769	1,954,142	-	-
Amounts owed by subsidiaries	-	-	1,068,769	1,555,626
Other debtors	267,704	145,928	-	-
Prepayments and accrued income	99,127	103,861	5,510	3,061
	<u>2,865,600</u>	<u>2,203,931</u>	<u>1,074,279</u>	<u>1,558,687</u>

Amounts owed by subsidiaries are repayable on demand. No interest is charged on these balances.

**17. Cash and cash equivalents**

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	<u>12,146,588</u>	<u>11,762,050</u>	<u>4,720,036</u>	<u>4,703,323</u>

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

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	1,428,485	1,215,823	-	-
Corporation tax	115,265	42,190	-	-
Taxation and social security	203,928	169,385	-	-
Other creditors	47,926	28,658	-	-
Accruals and deferred income	407,872	341,192	123,631	54,294
	<u>2,203,476</u>	<u>1,797,248</u>	<u>123,631</u>	<u>54,294</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2016

**19. Creditors: Amounts falling due after more than one year**

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Other creditors	<u>162,496</u>	<u>169,110</u>	<u>-</u>	<u>-</u>

This is in respect of government grants, primarily related to expenditure on assets, which are being released to the Consolidated Statement of Comprehensive Income proportionately over the estimated useful lives of the related assets. During the year the total amount released was £6,616 and at the end of the year the balance remaining to be released was £169,110, of which £6,614 is included within other creditors falling due within one year (see note 18).

**20. Financial instruments**

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
<b>Financial assets</b>				
Cash and cash equivalents	12,146,588	11,762,050	4,720,036	4,703,323
Financial assets measured at amortised cost	<u>2,623,103</u>	<u>1,990,146</u>	<u>1,068,769</u>	<u>1,555,626</u>
	<u>14,769,691</u>	<u>13,752,196</u>	<u>5,788,805</u>	<u>6,258,949</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>1,877,669</u>	<u>1,237,865</u>	<u>123,631</u>	<u>-</u>

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by subsidiaries.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

**21. Deferred taxation****Group**

	2016 £	2015 £
At 1 January 2016	(56,341)	(84,657)
Charged to profit or loss	21,606	28,316
<b>At 31 December 2016</b>	<b>(34,735)</b>	<b>(56,341)</b>

**Company**

	2016 £	2015 £
At 1 January 2016	(27,438)	(26,526)
Charged to profit or loss	566	(912)
<b>At 31 December 2016</b>	<b>(26,872)</b>	<b>(27,438)</b>

The provision for deferred taxation is made up as follows:

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
Investment property carried at a valuation	-	-	(26,526)	(26,526)
Accelerated capital allowances	(71,912)	(77,077)	(346)	(912)
Losses carried forward	35,940	19,222	-	-
Other timing differences	1,237	1,514	-	-
	<b>(34,735)</b>	<b>(56,341)</b>	<b>(26,872)</b>	<b>(27,438)</b>

**22. Share capital**

	2016 £	2015 £
<b>Authorised, allotted, called up and fully paid</b>		
1,000 ordinary shares of £1 each	1,000	1,000

Share capital represents the nominal value of shares that have been issued. There are no restrictions attached to the one class of share capital.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 23. Reserves

### Other reserves

The non-distributable reserve contains the changes in market value of the company's investment properties.

### Profit and loss account

The profit and loss account contains all current and prior period retained earnings.

## 24. Pension commitments

The group's defined benefit scheme is closed to new entrants and future accrual of benefits. The assets of the scheme are administered by trustees and are held separately from the group. The group has not provided for an asset or liability nor made disclosures as at 31 December 2016 in accordance with Section 28 of Financial Reporting Standard 102 "Employee Benefits". Whilst there is no direct relationship with the Section 28 valuation, at the last actuarial valuation prepared as at 5 April 2014 the scheme has a surplus of assets over liabilities amounting to £360,000.

The principal assumption used in the actuarial valuation was that long term investment returns will be 2.9% per annum above inflation.

The group also operates defined contribution schemes, for which the liability is limited to the annual contributions payable. As at 31 December 2016, the total contributions due for payment to the pension provider after the year end were £12,901 (2015 - £14,240).

## 25. Commitments under operating leases

At 31 December 2016 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b> <b>2016</b> £	Group 2015 £	<b>Company</b> <b>2016</b> £	Company 2015 £
Not later than 1 year	21,855	21,825	25	25
Later than 1 year and not later than 5 years	36,375	56,875	100	100
Later than 5 years	97,275	97,400	375	400
<b>Total</b>	<b>155,505</b>	<b>176,100</b>	<b>500</b>	<b>525</b>