
CURRIE & WARNER (HOLDINGS) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



CURRIE & WARNER (HOLDINGS) LIMITED

COMPANY INFORMATION

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

CURRIE & WARNER (HOLDINGS) LIMITED

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CURRIE & WARNER (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Business review

The company's subsidiaries experienced improved demand and produced generally improved levels of underlying operating profitability during the year, which combined with reduced company contributions to group pension schemes resulted in a significant improvement in group operating profit.

Currie & Warner Limited experienced a 14% increase in turnover as a consequence of improved demand and new customers, and despite a fall in raw margins, yet further increases in employment costs and significant additional investment in skilled staff, the increase in turnover resulted in a further year of improving operating profit. Peppers Cable Glands Limited experienced a 13% increase in turnover as the gradual recovery in oil prices together with the development of new markets began to feed demand within what remains a relatively subdued oil and gas market, and despite a fall in raw margins, further increases in employment costs and investment in staff, the increased turnover resulted in an increase in operating profit.

Silflex Limited was able to maintain margins despite further increases in raw material prices, however yet further increases in the costs of employment and labour inefficiencies associated with high demand offset a further improvement in turnover, resulting in a fall in operating profit compared to the prior year. After several years investment in research and development, Jennock Limited successfully launched a range of high-specification bicycles for children under the brand Black Mountain Bikes, with further investment in research and development, intellectual property and product launch costs contributing to a large operating loss 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 2019 at Currie & Warner Limited shows some weakening in demand, and despite some recovery in raw margins, further increases in employment costs and investment in skilled staff are expected to result in a significant fall in operating profitability. Demand at Peppers Cable Glands Limited during 2019 is similar, and with some recovery in raw margins being offset by increased investment in staff and product development, the business is expected to deliver a similar operating profit.

Demand at Silflex Limited during 2019 shows some further improvement, with raw margins somewhat better, and despite yet further increases in the costs of employment, labour efficiencies have improved, with the overall result that the business anticipates a recovery in operating profit. Turnover at Jennock Limited has increased significantly and the costs of research and development and intellectual property are significantly lower, however whilst the results for 2019 are expected to be much improved, the business does not plan to reach operating profitability during 2019.

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:

CURRIE & WARNER (HOLDINGS) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 25 September 2019 and signed on its behalf.



Mr MS Lloyd
Director

CURRIE & WARNER (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

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 £1,192,070 (2017 - £416,325).

An interim dividend of £128.10 (2017 - £128.10) per share amounting to £128,100 (2017 - £128,100) was paid on 26 March 2018. 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

CURRIE & WARNER (HOLDINGS) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves 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 25 September 2019 and signed on its behalf.



Mr MS Lloyd
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CURRIE & WARNER (HOLDINGS) LIMITED

Qualified opinion

We have audited the financial statements of Currie & Warner (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018, 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 notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 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

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 2018, we have been unable to quantify the omissions.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CURRIE & WARNER (HOLDINGS) LIMITED
(CONTINUED)**

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group Strategic Report and the Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 the 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CURRIE & WARNER (HOLDINGS) LIMITED
(CONTINUED)**

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

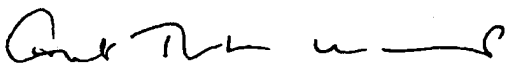
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



David White BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

25 September 2019

CURRIE & WARNER (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	17,405,989	15,708,293
Change in stocks of finished goods and work in progress		521,136	285,113
Other operating income		6,615	6,614
Raw materials and consumables		(8,132,945)	(6,686,486)
Other external charges		(1,710,889)	(1,786,270)
Staff costs	5	(6,419,079)	(6,644,035)
Depreciation and amortisation		(296,798)	(318,169)
Operating profit	7	1,374,029	565,060
Interest receivable and similar income	8	83,219	51,745
Profit before tax		1,457,248	616,805
Tax on profit	9	(254,827)	(135,366)
Profit for the year		1,202,421	481,439
Profit for the year attributable to:			
Non-controlling interests		10,351	65,114
Owners of the company		1,192,070	416,325
		1,202,421	481,439

All amounts relate to continuing operations.

There was no other comprehensive income for 2018 (2017 - £Nil).

The notes on pages 14 to 32 form part of these financial statements.


CURRIE & WARNER (HOLDINGS) LIMITED
REGISTERED NUMBER: 01619615

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	2,957,544	2,929,651
Current assets			
Stocks	15	5,260,943	4,699,170
Debtors	16	3,329,204	3,136,967
Cash at bank and in hand	17	12,396,659	11,780,450
		<u>20,986,806</u>	<u>19,616,587</u>
Creditors: amounts falling due within one year	18	(2,789,632)	(2,468,555)
Net current assets		<u>18,197,174</u>	<u>17,148,032</u>
Total assets less current liabilities		<u>21,154,718</u>	<u>20,077,683</u>
Creditors: amounts falling due after more than one year	19	(149,268)	(155,881)
Provisions for liabilities			
Deferred taxation	21	(24,974)	(15,647)
Net assets		<u>20,980,476</u>	<u>19,906,155</u>
Capital and reserves			
Called up share capital	22	1,000	1,000
Profit and loss account	23	17,170,721	16,106,751
Equity attributable to owners of the parent company		<u>17,171,721</u>	<u>16,107,751</u>
Non-controlling interests		3,808,755	3,798,404
Shareholders' funds		<u>20,980,476</u>	<u>19,906,155</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 September 2019.


Mr MI Lloyd
 Director


Mr MS Lloyd
 Director

The notes on pages 14 to 32 form part of these financial statements.

CURRIE & WARNER (HOLDINGS) LIMITED
REGISTERED NUMBER:01619615

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	308,851	298,771
Investments	13	117,965	117,965
Investment property	14	700,000	500,000
		<u>1,126,816</u>	<u>916,736</u>
Current assets			
Debtors	16	1,470,944	2,236,090
Cash at bank and in hand	17	4,713,931	3,464,704
		<u>6,184,875</u>	<u>5,700,794</u>
Creditors: amounts falling due within one year	18	(99,064)	(97,953)
Net current assets		<u>6,085,811</u>	<u>5,602,841</u>
Total assets less current liabilities		<u>7,212,627</u>	<u>6,519,577</u>
Provisions for liabilities			
Deferred taxation	21	(60,539)	(26,330)
Net assets		<u><u>7,152,088</u></u>	<u><u>6,493,247</u></u>
Capital and reserves			
Called up share capital	22	1,000	1,000
Non-distributable reserves	23	272,757	106,105
Profit and loss account	23	6,878,331	6,386,142
		<u><u>7,152,088</u></u>	<u><u>6,493,247</u></u>

The company profit for the year was £786,941 (2017 - £47,900).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 September 2019.



Mr MI Lloyd
Director



Mr MS Lloyd
Director

The notes on pages 14 to 32 form part of these financial statements.

CURRIE & WARNER (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Equity attributable to owners of company	Non- controlling interests	Total equity
	£	£	£	£	£
At 1 January 2018	1,000	16,106,751	16,107,751	3,798,404	19,906,155
Comprehensive income for the year					
Profit for the year	-	1,192,070	1,192,070	10,351	1,202,421
Total comprehensive income for the year	-	1,192,070	1,192,070	10,351	1,202,421
Dividends: Equity capital	-	(128,100)	(128,100)	-	(128,100)
At 31 December 2018	1,000	17,170,721	17,171,721	3,808,755	20,980,476

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Equity attributable to owners of company	Non- controlling interests	Total equity
	£	£	£	£	£
At 1 January 2017	1,000	15,818,526	15,819,526	3,733,290	19,552,816
Comprehensive income for the year					
Profit for the year	-	416,325	416,325	65,114	481,439
Total comprehensive income for the year	-	416,325	416,325	65,114	481,439
Dividends: Equity capital	-	(128,100)	(128,100)	-	(128,100)
At 31 December 2017	1,000	16,106,751	16,107,751	3,798,404	19,906,155

The notes on pages 14 to 32 form part of these financial statements.

CURRIE & WARNER (HOLDINGS) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Non- distributable reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	1,000	106,105	6,386,142	6,493,247
Comprehensive income for the year				
Profit for the year	-	-	786,941	786,941
Total comprehensive income for the year	-	-	786,941	786,941
Dividends: Equity capital	-	-	(128,100)	(128,100)
Transfers	-	166,652	(166,652)	-
At 31 December 2018	1,000	272,757	6,878,331	7,152,088

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Non- distributable reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	1,000	106,105	6,466,342	6,573,447
Comprehensive income for the year				
Profit for the year	-	-	47,900	47,900
Total comprehensive income for the year	-	-	47,900	47,900
Dividends: Equity capital	-	-	(128,100)	(128,100)
At 31 December 2017	1,000	106,105	6,386,142	6,493,247

The notes on pages 14 to 32 form part of these financial statements.

CURRIE & WARNER (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	1,202,421	481,439
Adjustments for:		
Depreciation of tangible assets	296,798	318,169
Profit on disposal of tangible assets	(16,605)	(18,867)
Interest received	(83,219)	(51,745)
Taxation charge	254,827	135,366
Increase in stocks	(561,773)	(767,811)
Increase in debtors	(205,971)	(259,113)
Increase in creditors	210,631	363,869
Corporation tax paid	(126,904)	(274,622)
Net cash generated from/(utilised in) operating activities	970,205	(73,315)
Cash flows from investing activities		
Purchase of tangible fixed assets	(325,835)	(242,427)
Sale of tangible fixed assets	17,749	23,450
Interest received	82,190	54,254
Net cash used in investing activities	(225,896)	(164,723)
Cash flows from financing activities		
Dividends paid	(128,100)	(128,100)
Net cash used in financing activities	(128,100)	(128,100)
Net increase/(decrease) in cash and cash equivalents	616,209	(366,138)
Cash and cash equivalents at beginning of year	11,780,450	12,146,588
Cash and cash equivalents at the end of year	12,396,659	11,780,450
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	12,396,659	11,780,450

The notes on pages 14 to 32 form part of these financial statements.

CURRIE & WARNER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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.

CURRIE & WARNER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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
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 within 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.

CURRIE & WARNER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 instrument 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.

CURRIE & WARNER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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.

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.

CURRIE & WARNER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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.

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.

CURRIE & WARNER (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Analysis of turnover

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

	2018 £	2017 £
Brass repetition turned parts	5,207,785	4,467,124
Electrical cable glands	6,788,544	5,994,276
Silicone flexible hoses and engineering products	5,327,279	5,246,893
Other	82,381	-
	<u>17,405,989</u>	<u>15,708,293</u>
	2018 £	2017 £
United Kingdom	6,273,202	5,903,082
Rest of Europe	6,607,192	6,345,637
North America	2,200,854	1,943,386
Middle East	1,133,807	605,564
Far East and Australia	950,127	806,907
Other	240,807	103,717
	<u>17,405,989</u>	<u>15,708,293</u>

CURRIE & WARNER (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Staff numbers and costs

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

	2018 £	2017 £
Wages and salaries	5,724,169	5,394,175
Social security costs	459,650	433,287
Other pension costs	235,260	816,573
	<u>6,419,079</u>	<u>6,644,035</u>

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

	2018 No.	2017 No.
Management	19	19
Administration and sales	42	41
Production	175	178
	<u>236</u>	<u>238</u>

6. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	109,400	107,436
Company pension contributions	1,620	1,370
	<u>111,020</u>	<u>108,806</u>

During the year retirement benefits were accruing to one director (2017 - one) in respect of defined contribution pension schemes.

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

CURRIE & WARNER (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Operating profit

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

	2018 £	2017 £
Depreciation of tangible fixed assets	296,798	318,169
Auditor's remuneration for the audit of the company's financial statements	27,535	23,932
Auditor's remuneration for the audit of the group's pension scheme	7,700	9,350
Auditor's remuneration - non audit - taxation compliance services	6,850	4,250
Differences on foreign exchange	(185,025)	121,348
Operating lease rentals	39,482	37,561
Credit in respect of grant release	(6,615)	(6,614)
Stock recognised in cost of sales as an expense	6,754,042	5,685,577
	<u>6,754,042</u>	<u>5,685,577</u>

8. Interest receivable

	2018 £	2017 £
Bank interest	81,991	51,498
Other interest receivable	1,228	247
	<u>83,219</u>	<u>51,745</u>

CURRIE & WARNER (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	273,456	155,097
Adjustments in respect of prior years	(27,956)	(643)
Total current tax	<u>245,500</u>	<u>154,454</u>
Deferred tax		
Origination and reversal of timing differences	9,327	(19,088)
Total deferred tax	<u>9,327</u>	<u>(19,088)</u>
Taxation on profit	<u>254,827</u>	<u>135,366</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £	2017 £
Profit before tax	<u>1,457,248</u>	<u>616,805</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	276,877	117,193
Effects of:		
Expenses not deductible for tax purposes	1,786	1,148
Depreciation on assets not eligible for capital allowances	14,191	14,620
Change in standard UK rate	-	1,987
Research & development relief	(8,497)	-
Deferred tax rate different to standard UK rate	(519)	1,061
Depreciation in prior years on assets eligible for capital allowances	(1,055)	-
Adjustments in respect of prior years	(27,956)	(643)
Total tax charge for the year	<u>254,827</u>	<u>135,366</u>

CURRIE & WARNER (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	2018 £	2017 £
Dividends paid on equity capital	<u>128,100</u>	<u>128,100</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 £786,941 (2017 - £47,900).

CURRIE & WARNER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. Tangible fixed assets

Group

	Freehold property £	Long leasehold property £	Short leasehold property £	Plant, equipment and motor vehicles £	Total £
Cost					
At 1 January 2018	2,276,326	835,365	124,887	7,303,774	10,540,352
Additions	-	-	-	325,835	325,835
Disposals	-	-	-	(57,132)	(57,132)
At 31 December 2018	2,276,326	835,365	124,887	7,572,477	10,809,055
Depreciation					
At 1 January 2018	699,877	320,221	102,126	6,488,477	7,610,701
Charge for the year	40,776	20,884	3,123	232,015	296,798
Disposals	-	-	-	(55,988)	(55,988)
At 31 December 2018	740,653	341,105	105,249	6,664,504	7,851,511
Net book value					
At 31 December 2018	1,535,673	494,260	19,638	907,973	2,957,544
At 31 December 2017	1,576,449	515,144	22,761	815,297	2,929,651

CURRIE & WARNER (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Tangible fixed assets (continued)

Company

	Freehold land £	Freehold buildings £	Short leasehold property £	Plant, equipment and motor vehicles £	Total £
Cost					
At 1 January 2018	171,000	208,061	124,887	18,300	522,248
Additions	-	-	-	23,647	23,647
Disposals	-	-	-	(18,300)	(18,300)
At 31 December 2018	171,000	208,061	124,887	23,647	527,595
Depreciation					
At 1 January 2018	-	105,338	102,126	16,013	223,477
Charge for the year	-	5,201	3,123	4,099	12,423
Disposals	-	-	-	(17,156)	(17,156)
At 31 December 2018	-	110,539	105,249	2,956	218,744
Net book value					
At 31 December 2018	171,000	97,522	19,638	20,691	308,851
At 31 December 2017	171,000	102,723	22,761	2,287	298,771

CURRIE & WARNER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	117,965
At 31 December 2018	<u>117,965</u>
Net book value	
At 31 December 2018	<u>117,965</u>
At 31 December 2017	<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 Glenson (Holdings) Limited. Glenson (Holdings) Limited has investments which consist of 100% of the issued ordinary share capital of Silflex Limited, Glenson Limited, Samco Sport Limited, Jennock Limited, Black Mountain Bikes Limited and Epok Bikes 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.

CURRIE & WARNER (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Investment property

Company

	Freehold investment property £
Valuation	
At 1 January 2018	500,000
Change in fair value	200,000
At 31 December 2018	700,000

The 2018 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:

	2018 £	2017 £
Historic cost	480,809	480,809
Accumulated depreciation and impairment	(148,542)	(141,521)
	332,267	339,288

15. Stocks

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Raw materials	1,531,448	1,490,811	-	-
Work in progress	477,546	213,351	-	-
Finished goods	3,251,949	2,995,008	-	-
	5,260,943	4,699,170	-	-

CURRIE & WARNER (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	2,807,458	2,634,312	-	-
Amounts owed by subsidiaries	-	-	1,465,584	2,233,752
Other debtors	374,889	401,488	-	-
Prepayments and accrued income	146,857	101,167	5,360	2,338
	<u>3,329,204</u>	<u>3,136,967</u>	<u>1,470,944</u>	<u>2,236,090</u>

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

17. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	12,396,659	11,780,450	4,713,931	3,464,704

18. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	1,920,588	1,803,798	-	-
Corporation tax	113,693	9,860	-	-
Other taxation and social security	291,778	237,197	-	-
Other creditors	58,489	42,834	-	-
Accruals and deferred income	405,084	374,866	99,064	97,953
	<u>2,789,632</u>	<u>2,468,555</u>	<u>99,064</u>	<u>97,953</u>

CURRIE & WARNER (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Other creditors	149,268	<i>155,881</i>	-	<i>-</i>

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 so released was £6,615 (2017- £6,614) and at the end of the year the balance remaining to be released was £155,881 (2017- £162,496), of which £6,613 (2017- £6,615) is included within other creditors falling due within one year (see note 18).

20. Financial instruments

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Financial assets				
Cash and cash equivalents	12,396,659	<i>11,780,450</i>	4,713,931	<i>3,464,704</i>
Financial assets measured at amortised cost	2,939,219	<i>2,861,168</i>	1,465,584	<i>2,233,752</i>
	15,335,878	<i>14,641,618</i>	6,179,515	<i>5,698,456</i>
Financial liabilities				
Financial liabilities measured at amortised cost	2,377,548	<i>2,214,883</i>	99,064	<i>97,953</i>

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, amounts owed by subsidiaries, and other debtors.

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

CURRIE & WARNER (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

21. Deferred taxation

Group

	2018 £	2017 £
At January 2018	(15,647)	(34,735)
Charged to profit or loss	(9,327)	19,088
At 31 December 2018	(24,974)	(15,647)

Company

	2018 £	2017 £
At January 2018	(26,330)	(26,872)
Charged to profit or loss	(34,209)	542
At 31 December 2018	(60,539)	(26,330)

The provision for deferred taxation is made up as follows:

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Investment property carried at a valuation	-	-	(59,874)	(26,526)
Accelerated capital allowances	(90,373)	(78,298)	(665)	196
Losses carried forward	63,576	61,400	-	-
Other timing differences	1,823	1,251	-	-
	(24,974)	<i>(15,647)</i>	(60,539)	<i>(26,330)</i>

CURRIE & WARNER (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

22. Share capital

	2018 £	2017 £
Authorised, allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

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

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 2018 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 2017 the scheme has a surplus of assets over liabilities amounting to £56,000.

The principal assumption used in the actuarial valuation was that long term investment returns will be 2.15% 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 2018, the total contributions due for payment to the pension provider after the year end were £20,788 (2017- £13,091).

CURRIE & WARNER (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

25. Commitments under operating leases

At 31 December 2018 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Not later than 1 year	33,900	30,225	25	25
Later than 1 year and not later than 5 years	500	15,875	100	100
Later than 5 years	97,025	97,150	325	350
	131,425	143,250	450	475