

Registration number 1804603

Enthone Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2014

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Enthone Limited

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Enthone Limited
Company Information

Directors H Barrett-Hague
 P C Kelsey
 N Raishbrook

Registered office Forsyth Road
 Sheerwater
 Woking
 Surrey
 GU21 5RZ

Enthone Limited

Strategic Report for the Year Ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014

Business review

Fair review of the business

The Company is a wholly-owned subsidiary of Alent plc ("Alent") and operates as part of Alent's Surface Chemistries division

The Company's principal activity is the supply and distribution of chemicals to the electroplating, surface finishing and electronics industries. Alent manages its operations on a divisional basis and Enthone Limited is part of the Surface Chemistries Division. For this reason the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of this division, which includes the Company, is discussed in the Alent plc report which does not form part of this report.

The Alent division of which the Company is part invests in research and development activities appropriate to the nature and size of its operations with the aim of supporting the future development of the Company, as part of the division, in the medium to long term future. This research and development has resulted in a number of updates to existing products.

As shown in the Company's profit and loss account on page 6, turnover has decreased by 11.2% over the prior year to £5,483,000 (2012: £6,175,000) and loss after tax has increased by 5.3% to £553,000 (2012: £525,000). Operating profit was £314,000 (2012: £384,000). The decline in sales was primarily caused by business closures and relocations to other parts of the world.

The balance sheet on page 7 of the financial statements shows that the Company's financial position at the year-end is consistent with the prior year.

The directors are not, at the date of this report, aware of any other major changes in the Company's activities in the next year.

Principal risks and uncertainties

Competitive pressure in the UK and mainland Europe is a continuing risk for the Company, which could result in it losing sales to its key competitors. To manage this risk, the Company strives to provide added-value products and services to its customers, prompt response times in the supply of products and services and in the handling of customer queries, and through the maintenance of strong relationships with customers.

The Company sells products into international markets and it is therefore exposed to currency movements on such sales. Where appropriate, the Company manages this risk with forward foreign exchange contracts in line with Alent's treasury policies.

The Company's activities may be affected by fluctuations in the price and supply of key raw materials, although purchasing policies and practices seek to mitigate, where practicable, such risks.

The Group risks to which Alent is exposed are discussed in Alent's Annual Report which does not form part of this report.

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to mitigate any adverse impact that might be caused by its activities. Initiatives aimed at minimising the Company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption are practised.

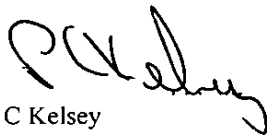
Enthone Limited
Strategic Report for the Year Ended 31 December 2014

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Supplier payment policy

The policy of the Company is to settle the payment terms with the suppliers when agreeing the terms of each transaction. All attempts are made to ensure the Company's suppliers are aware of those terms and the Company abides by the agreed terms of payment. At 31 December 2014 there were 36 days purchases from suppliers outstanding (2014 48 days)

Approved by the Board on 28 July 2015 and signed on its behalf by


P C Kelsey
Director

Enthone Limited
Directors' Report for the Year Ended 31 December 2014

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

Directors of the Company

The directors who held office during the year were as follows

D Crimp (resigned 31 January 2014)

P C Kelsey

S A O'Hara (resigned 27 February 2015)

N Raishbrook

The following director was appointed after the year end

H Barrett-Hague (appointed 27 February 2015)

Principal activity

The Company is a wholly-owned subsidiary of Alent plc ("Alent") and operates as part of Alent's Surface Chemistries division

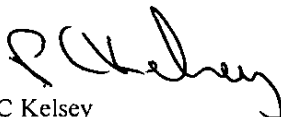
Results and Dividend

The results for the year are shown on page 6. No dividends were paid during the year and the directors do not recommend payment of a dividend for the financial year ended 31 December 2014 (2013 nil)

Donations

The Company made no political or charitable donations during the year

Approved by the Board on 28 July 2015 and signed on its behalf by


P C Kelsey
Director

Enthone Limited
Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping 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.

Enthone Limited
Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £ 000	2013 £ 000
Turnover	2	5,483	6,175
Cost of sales		<u>(3,419)</u>	<u>(3,913)</u>
Gross profit		2,064	2,262
Distribution costs		(1,579)	(1,631)
Administrative expenses		(955)	(1,058)
Other operating income		<u>784</u>	<u>811</u>
Operating profit	3	314	384
Interest payable and similar charges	6	<u>(867)</u>	<u>(909)</u>
Loss on ordinary activities before taxation		(553)	(525)
Tax on loss on ordinary activities	7	<u>-</u>	<u>-</u>
Loss for the financial year	14	<u><u>(553)</u></u>	<u><u>(525)</u></u>

Turnover and operating profit derive wholly from continuing operations

The Company has no recognised gains or losses for the year other than the results above

Enthone Limited
(Registration number: 1804603)
Balance Sheet at 31 December 2014

	Note	2014 £ 000	2013 £ 000
Fixed assets			
Tangible fixed assets	8	<u>156</u>	<u>92</u>
Current assets			
Stocks	9	209	174
Debtors	10	987	1,854
Cash at bank and in hand		<u>613</u>	<u>280</u>
		1,809	2,308
Creditors Amounts falling due within one year	11	<u>(3,169)</u>	<u>(2,584)</u>
Net current liabilities		<u>(1,360)</u>	<u>(276)</u>
Total assets less current liabilities		(1,204)	(184)
Provisions for liabilities	12	<u>(15,024)</u>	<u>(15,491)</u>
Net liabilities		<u><u>(16,228)</u></u>	<u><u>(15,675)</u></u>
Capital and reserves			
Called up share capital	13	5,100	5,100
Profit and loss account	14	<u>(21,328)</u>	<u>(20,775)</u>
Shareholders' deficit	15	<u><u>(16,228)</u></u>	<u><u>(15,675)</u></u>

The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006 (the "Act")

For the year ending 31 December 2014 the Company was entitled to exemption from audit under section 479A of the Act relating to subsidiary companies

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

Approved and authorised for issue by the Board on 28 July 2015 and signed on its behalf by



N Raishbrook
Director

Enthone Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

1 Accounting policies

Basis of preparation

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

The Company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the Alent plc group, which publishes its own consolidated financial statements

As the Company is a wholly-owned subsidiary of Alent plc, it has taken advantage of the exemption provided by FRS 8 "Related Party Disclosures" and has not disclosed transactions or balances with entities which form part of the Alent plc group

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities as shown on page 7, which the directors believe to be appropriate as the Company is dependent for its working capital on funds provided to it by Alent plc, the Company's ultimate parent company. Alent plc has indicated that for at least 12 months from the date of approval of these financial statements it will continue to make available such funds as are needed by the Company. The directors consider that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers. Turnover is recognised when the risks and rewards of ownership have passed to the customer

Depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Asset class	Depreciation rate
Plant and machinery	10-30% per annum
Computer software	20-33% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, a first in first out basis is used with costs including transport and handling costs. For manufactured products, costs include all direct expenditure and production overheads based on the normal level of activity. Net realisable value is determined on the basis of expected selling price less further costs to be incurred to completion and disposal. Where necessary, provision is made for obsolete, slow moving and defective stocks

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law substantively enacted at the balance sheet date

Enthone Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Hire purchase and leasing

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Rental income from operating leases is recognised on a straight line basis over the term of the lease.

Pensions

The Company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period which they become payable in accordance with the rules of the scheme.

2 Turnover

An analysis of turnover by geographical location is given below

	2014 £ 000	2013 £ 000
Sales - UK	5,377	6,050
Sales - Europe	106	125
	<u>5,483</u>	<u>6,175</u>

3 Operating profit

Operating profit is stated after charging/(crediting)

	2014 £ 000	2013 £ 000
Operating leases-property	1,040	1,067
Operating leases-other assets	52	53
Foreign currency translation (gains)/losses	(16)	5
Depreciation of owned assets	27	16
Rent receivable	<u>(784)</u>	<u>(811)</u>

Enthone Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

4 Particulars of employees

The average number of persons employed by the Company (including directors) during the year, was as follows

	2014	2013
	No.	No.
Average number of employees	<u>14</u>	<u>15</u>

The aggregate payroll costs were as follows

	2014	2013
	£ 000	£ 000
Wages and salaries	644	578
Social security costs	74	67
Staff pensions	<u>85</u>	<u>77</u>
	<u>803</u>	<u>722</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows

	2014	2013
	£ 000	£ 000
Remuneration	87	80
Company contributions paid to money purchase schemes	<u>11</u>	<u>11</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2014	2013
	No.	No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director

	2014	2013
	£ 000	£ 000
Remuneration	87	80
Company contributions to money purchase pension scheme	<u>11</u>	<u>11</u>

All other directors received no remuneration in respect of their services to the Company

Enthone Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

6 Interest payable and similar charges

	2014 £ 000	2013 £ 000
Interest on loans from group undertakings	72	65
Unwinding of discount in relation to provision against onerous leases	795	844
	<u>867</u>	<u>909</u>

Amounts owed to group undertakings are unsecured, repayable on demand and incur interest at market rates

7 Taxation

Factors affecting current tax charge for the year

Tax on ordinary activities for the year is different from the standard rate of corporation tax in the UK of 21.5% (2013-23 25%)

The differences are reconciled below

	2014 £ 000	2013 £ 000
Loss on ordinary activities before taxation	<u>(553)</u>	<u>(525)</u>
Corporation tax at standard rate	(119)	(122)
Capital allowances for period in excess of depreciation	5	4
Other timing differences	(8)	(143)
Expenses not deductible for tax purposes	61	58
Tax losses surrendered to group companies	<u>61</u>	<u>203</u>
Total current tax	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

From 1 April 2014, the UK corporation tax rate reduced to 21%. Further UK corporation tax rate reductions down to 20% will have effect from 1 April 2015. It has not yet been possible to quantify the full anticipated effect of these rate reductions, although this will further reduce the Company's future current tax charge accordingly.

Enthone Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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8 Tangible fixed assets

	Software £ 000	Plant and machinery £ 000	Fixtures and fittings £ 000	Total £ 000
Cost or valuation				
At 1 January 2014	308	130	30	468
Additions	-	91	-	91
Write offs	-	(16)	-	(16)
At 31 December 2014	<u>308</u>	<u>205</u>	<u>30</u>	<u>543</u>
Depreciation				
At 1 January 2014	308	65	3	376
Charge for the year	-	24	3	27
Write off	-	(16)	-	(16)
At 31 December 2014	<u>308</u>	<u>73</u>	<u>6</u>	<u>387</u>
Net book value				
At 31 December 2014	<u>-</u>	<u>132</u>	<u>24</u>	<u>156</u>
At 31 December 2013	<u>-</u>	<u>65</u>	<u>27</u>	<u>92</u>

9 Stocks

	2014 £ 000	2013 £ 000
Raw materials	4	4
Finished goods	<u>205</u>	<u>170</u>
	<u>209</u>	<u>174</u>

10 Debtors

	2014 £ 000	2013 £ 000
Trade debtors	833	959
Amounts owed by group undertakings	92	853
Other debtors	1	-
Prepayments and accrued income	<u>61</u>	<u>42</u>
	<u>987</u>	<u>1,854</u>

Enthone Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

11 Creditors: Amounts falling due within one year

	2014 £ 000	2013 £ 000
Trade creditors	264	364
Amounts owed to group undertakings	2,632	1,892
Other taxes and social security	67	85
Accruals and deferred income	206	243
	<u>3,169</u>	<u>2,584</u>

Amounts owed to group undertakings are unsecured, repayable on demand and incur interest at market rates

12 Provisions

	Provision against onerous leases £ 000	Total £ 000
At 1 January 2014	15,491	15,491
Utilised during the year	(1,262)	(1,262)
Unwinding discounted provision during the year	795	795
At 31 December 2014	<u>15,024</u>	<u>15,024</u>

13 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>5,100</u>	<u>5,100</u>	<u>5,100</u>	<u>5,100</u>

Enthone Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

14 Reserves

	Profit and loss account £ 000
At 1 January 2014	(20,775)
Loss for the year	<u>(553)</u>
At 31 December 2014	<u><u>(21,328)</u></u>

15 Reconciliation of movement in shareholders' funds

	2014 £ 000	2013 £ 000
Loss attributable to the members of the Company	(553)	(525)
Shareholders' deficit at 1 January	<u>(15,675)</u>	<u>(15,150)</u>
Shareholders' deficit at 31 December	<u><u>(16,228)</u></u>	<u><u>(15,675)</u></u>

16 Pension schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the Company to the scheme and amounted to £77,000 (2013 - £85,000).

There were no outstanding contributions payable to the scheme at 31 December 2014 (2013: £Nil).

Enthone Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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17 Commitments

Operating lease commitments

As at 31 December 2014 the Company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2014 £ 000	2013 £ 000
Land and buildings		
Within one year	-	26
Over five years	1,075	1,075
	<u>1,075</u>	<u>1,101</u>
Other		
Within one year	24	25
Within two and five years	19	16
	<u>43</u>	<u>41</u>

18 Control

The Company is controlled by Enthone-OMI Holdings (U K) Limited The ultimate controlling party is Alent plc

The Company is a subsidiary undertaking of Alent plc which is the ultimate parent company and is incorporated in England and Wales

The largest and smallest group in which the results of the Company are consolidated is that headed by Alent plc No other group financial statements include the results of the Company The consolidated financial statements of Alent plc are available to the public and may be obtained from the Company Secretary, Alent plc, Forsyth Road, Sheerwater, Woking