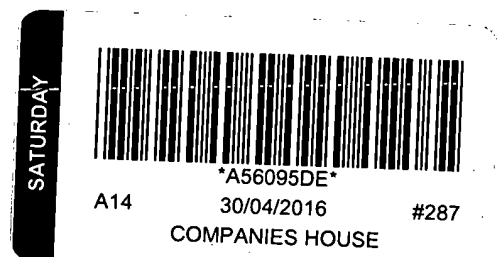


REGISTERED NUMBER: 01849981 (England and Wales)

Abbreviated Audited Accounts
for the Year Ended 31 July 2015
for
Specialist Anodising Company Limited



**Contents of the Abbreviated Accounts
for the Year Ended 31 July 2015**

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Specialist Anodising Company Limited

**Company Information
for the Year Ended 31 July 2015**

DIRECTORS:

Mrs V A Duffell
M J Duffell
V A Moody
M J Gwinnett
A M Duffell
D M Duffell
M S Duffell

SECRETARY:

M J Duffell

REGISTERED OFFICE:

Guilden Sutton Lane
Guilden Sutton
Chester
Cheshire
CH3 7EX

REGISTERED NUMBER:

01849981 (England and Wales)

AUDITORS:

Wilson Henry LLP
Statutory Auditor
Chartered Accountants
145 Edge Lane
Liverpool
L7 2PF

**Strategic Report
for the Year Ended 31 July 2015**

The directors present their strategic report for the year ended 31 July 2015.

REVIEW OF BUSINESS

The results for the year ended 31st July 2015 and financial position of the company are as shown in the annexed financial statements.

Turnover during the year has slightly increased from £13M to £13.1M showing steady growth. The company has performed well in the current economic climate. This turnover reflected the continued demand for the company's products during difficult economic conditions.

Gross profit margin shows a movement from 26% in 2014 to 32% in 2015. During the year the company implemented efficiency measures to their production process. The company foresee that these measures will make the business more competitive and will result in a growth in sales.

PRINCIPAL RISKS AND UNCERTAINTIES

During 2015 the company continued to face challenges due to the current economic climate and the cosmetic trade. The company manages the inherent uncertainty due to the general economic climate by continually reviewing its operations and implementing efficiencies in every area of the business.

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures.

Buying and selling in different countries has allowed the company to manage the exchange risk.

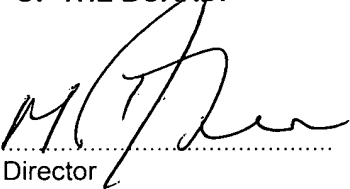
FUTURE DEVELOPMENTS

The company aims to grow organically and by acquisition where suitable opportunities arise.

RESEARCH AND DEVELOPMENT

The Company will continue to draw on their research team's expertise, to solve clients' strategic problems by developing innovative products.

ON BEHALF OF THE BOARD:



M J Duffell - Director

Date: 28/04/2016

**Report of the Directors
for the Year Ended 31 July 2015**

The directors present their report with the accounts of the company for the year ended 31 July 2015.

DIVIDENDS

No dividends will be distributed for the year ended 31 July 2015.

RESEARCH AND DEVELOPMENT

Research and development plays a key role in supporting the Company's activities. Details of such activities are given in the Strategic report.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2014 to the date of this report.

Mrs V A Duffell
M J Duffell

Other changes in directors holding office are as follows:

V A Moody - appointed 27 February 2015
M J Gwinnett - appointed 27 February 2015
A M Duffell - appointed 27 February 2015
D M Duffell - appointed 27 February 2015
M S Duffell - appointed 27 February 2015

BRANCHES OUTSIDE THE UK

The Company has a branch in France.

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with Section 414C (11) Companies Act 2006 to set out the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Report of the Directors 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Directors
for the Year Ended 31 July 2015**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Wilson Henry LLP are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

ON BEHALF OF THE BOARD:



.....
M J Duffell - Director

Date:28/04/2016.....

**Report of the Independent Auditors to
Specialist Anodising Company Limited
Under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages six to eighteen, together with the full financial statements of Specialist Anodising Company Limited for the year ended 31 July 2015 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

Hilene S Henry (Senior Statutory Auditor)
for and on behalf of Wilson Henry LLP
Statutory Auditor
Chartered Accountants
145 Edge Lane
Liverpool
L7 2PF



Date: 28/04/2016

Specialist Anodising Company Limited (Registered number: 01849981)

**Abbreviated Profit and Loss Account
for the Year Ended 31 July 2015**

| | Notes | 2015 £ | 2014 £ |
|--|-------|------------------|------------------|
| TURNOVER | 2 | 13,147,782 | 13,088,371 |
| Cost of sales and other operating income | | (8,556,099) | (9,311,303) |
| | | <hr/> | <hr/> |
| | | 4,591,683 | 3,777,068 |
| Administrative expenses | | 1,755,089 | 1,982,988 |
| | | <hr/> | <hr/> |
| OPERATING PROFIT | 4 | 2,836,594 | 1,794,080 |
| Interest receivable and similar income | | 5,471 | 3,684 |
| | | <hr/> | <hr/> |
| | | 2,842,065 | 1,797,764 |
| Interest payable and similar charges | 5 | 65,783 | 66,131 |
| | | <hr/> | <hr/> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 2,776,282 | 1,731,633 |
| Tax on profit on ordinary activities | 6 | 631,111 | 414,034 |
| | | <hr/> | <hr/> |
| PROFIT FOR THE FINANCIAL YEAR | | <u>2,145,171</u> | <u>1,317,599</u> |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

The notes form part of these abbreviated accounts

**Statement of Total Recognised Gains and Losses
for the Year Ended 31 July 2015**

| | 2015 £ | 2014 £ |
|---|------------------|------------------|
| PROFIT FOR THE FINANCIAL YEAR | 2,145,171 | 1,317,599 |
| Unrealised deficit on revaluation of properties | - | (156,103) |
| TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR | <u>2,145,171</u> | <u>1,161,496</u> |

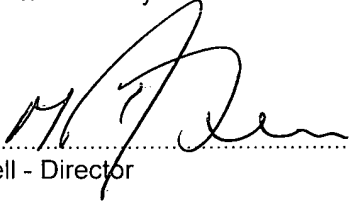
Specialist Anodising Company Limited (Registered number: 01849981)

**Abbreviated Balance Sheet
31 July 2015**

| | Notes | 2015 | 2014 |
|--|-------|--------------------------|--------------------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 7 | 5,129,606 | 4,889,594 |
| CURRENT ASSETS | | | |
| Stocks | 8 | 1,971,068 | 1,468,716 |
| Debtors | 9 | 4,514,527 | 3,943,077 |
| Cash at bank and in hand | | 6,832,350 | 5,267,052 |
| | | <u>13,317,945</u> | <u>10,678,845</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 10 | 2,363,543 | 1,654,220 |
| NET CURRENT ASSETS | | <u>10,954,402</u> | <u>9,024,625</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>16,084,008</u> | <u>13,914,219</u> |
| CREDITORS | | | |
| Amounts falling due after more than one year | 11 | (1,073,791) | (1,137,816) |
| PROVISIONS FOR LIABILITIES | 16 | (143,029) | (54,386) |
| NET ASSETS | | <u><u>14,867,188</u></u> | <u><u>12,722,017</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 17 | 6 | 6 |
| Revaluation reserve | 18 | 225,018 | 230,251 |
| Profit and loss account | 18 | 14,642,164 | 12,491,760 |
| SHAREHOLDERS' FUNDS | 21 | <u><u>14,867,188</u></u> | <u><u>12,722,017</u></u> |

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 28/04/2016 and were signed on its behalf by:


.....
M J Duffell - Director

The notes form part of these abbreviated accounts

**Notes to the Abbreviated Accounts
for the Year Ended 31 July 2015**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Cashflow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Turnover

Turnover is the amount derived from ordinary activities, i.e. sales of goods, and is stated after trade discounts, other sales taxes and net of VAT.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|--------------------------|---------------------------|
| Freehold property | - 2% on cost |
| Long leasehold | - 2% on cost |
| Improvements to property | - 2% on cost |
| Plant and machinery | - 20% on reducing balance |
| Fixtures and fittings | - 20% on reducing balance |
| Motor vehicles | - 25% on reducing balance |

The company has adopted a policy of revaluation of freehold and long leasehold properties such that their carrying amount represents the current value at the balance sheet date.

In accordance with FRS 15, a full valuation of previously revalued assets is conducted every 5 years, with a formal interim valuation after 3 years. In other years, freehold and long leasehold properties are revalued only if the directors are aware of any material change in value.

Stocks

Stocks are split in to three categories for valuation purposes; raw materials, work-in-progress and finished goods. Provision is made for slow moving or obsolete items.

Raw materials are stated at purchase price.

Work-in-progress and finished goods are stated at the lower of cost, including appropriate production overheads based on stage of completion, and net realisable value. Distribution and administrative expenses are not included in the stock valuation.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 July 2015**

1. ACCOUNTING POLICIES - continued

Employee benefit trusts

The company has purchased and established trusts for the benefit of employees and certain of their dependents. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefit from, and has de-facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where the monies held in a trust are determined by a company on the basis of employees' past services to the business and the company can obtain no future economic benefit from these monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

2. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by geographical market is given below:

| | 2015 £ | 2014 £ |
|-------------------|-------------------|-------------------|
| United Kingdom | 2,091,038 | 2,969,713 |
| Rest of the world | 11,056,744 | 10,118,658 |
| | <u>13,147,782</u> | <u>13,088,371</u> |

3. STAFF COSTS

| | 2015 £ | 2014 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 4,639,358 | 4,271,457 |
| Social security costs | 370,287 | 335,710 |
| Other pension costs | 46,217 | 16,592 |
| | <u>5,055,862</u> | <u>4,623,759</u> |

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

| | 2015 | 2014 |
|---------------------|------------|------------|
| Direct labour | 226 | 200 |
| Sales and marketing | 4 | 2 |
| Administration | 4 | 6 |
| Director | 2 | - |
| | <u>236</u> | <u>208</u> |

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 July 2015**

4. OPERATING PROFIT

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

| | 2015 | 2014 |
|--|-------------------|-------------------|
| | £ | £ |
| Hire of plant and machinery | (14,038) | 182,294 |
| Depreciation - owned assets | 269,503 | 283,154 |
| Loss/(profit) on disposal of fixed assets | 539 | (1,016) |
| Auditors' remuneration | 8,600 | 8,600 |
| Foreign exchange differences | (145,664) | 532,710 |
| | <u> </u> | <u> </u> |
| Directors' remuneration | 170,020 | - |
| Directors' pension contributions to money purchase schemes | 2,500 | - |
| | <u> </u> | <u> </u> |

5. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2015 | 2014 |
|--------------------|-------------------|-------------------|
| | £ | £ |
| Bank loan interest | 61,018 | 66,131 |
| Interest payable | 4,765 | - |
| | <u> </u> | <u> </u> |
| | 65,783 | 66,131 |
| | <u> </u> | <u> </u> |

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

| | 2015 | 2014 |
|--------------------------------------|-------------------|-------------------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | 500,000 | 395,000 |
| Tax adjustment prior year | 42,468 | (1,946) |
| | <u> </u> | <u> </u> |
| Total current tax | 542,468 | 393,054 |
| Deferred tax | 88,643 | 20,980 |
| | <u> </u> | <u> </u> |
| Tax on profit on ordinary activities | 631,111 | 414,034 |
| | <u> </u> | <u> </u> |

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 July 2015

6. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2015 £ | 2014 £ |
|--|-----------|-----------|
| Profit on ordinary activities before tax | 2,776,282 | 1,731,633 |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.700% (2014 - 22.300%) | 574,690 | 386,154 |
| Effects of: | | |
| Expenditure not deductible for tax purposes | 17,716 | 25,788 |
| Capital allowances in excess of depreciation | (91,745) | (25,166) |
| Adjustment to previous year's tax | 42,469 | (1,946) |
| Other tax differences forward | (662) | 8,224 |
| Current tax charge | 542,468 | 393,054 |

Factors that may affect future tax charges

The company has a recognised deferred tax liability of £143,029 (2014: £54,386) in respect of accelerated capital allowances. Legislation was introduced in Finance Act 2013 to reduce the main rate of corporation tax from 23% to 21% with effect from 1 April 2014.

Finance Act 2014 confirmed the reduction in the main rate of corporation tax to a uniform rate of 20% with effect from 1 April 2015. The effect of this reduction is reflected in the unrecognised deferred tax liability of £143,029.

7. TANGIBLE FIXED ASSETS

| | Freehold property £ | Long leasehold £ | Improvements to property £ |
|--------------------------|---------------------------|------------------------|-------------------------------------|
| COST OR VALUATION | | | |
| At 1 August 2014 | 2,827,811 | 600,000 | 214,310 |
| Additions | - | - | 123,562 |
| At 31 July 2015 | 2,827,811 | 600,000 | 337,872 |
| DEPRECIATION | | | |
| At 1 August 2014 | 20,505 | - | - |
| Charge for year | 56,556 | 12,000 | 3,109 |
| Eliminated on disposal | - | - | - |
| At 31 July 2015 | 77,061 | 12,000 | 3,109 |
| NET BOOK VALUE | | | |
| At 31 July 2015 | 2,750,750 | 588,000 | 334,763 |
| At 31 July 2014 | 2,807,306 | 600,000 | 214,310 |

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 July 2015

7. TANGIBLE FIXED ASSETS - continued

| | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|--------------------------|-----------------------------|----------------------------------|------------------------|-------------|
| COST OR VALUATION | | | | |
| At 1 August 2014 | 3,116,014 | 213,408 | 90,957 | 7,062,500 |
| Additions | 357,168 | 28,407 | 1,000 | 510,137 |
| Disposals | - | - | (17,245) | (17,245) |
| At 31 July 2015 | 3,473,182 | 241,815 | 74,712 | 7,555,392 |
| DEPRECIATION | | | | |
| At 1 August 2014 | 1,956,924 | 121,465 | 74,012 | 2,172,906 |
| Charge for year | 172,481 | 21,092 | 4,265 | 269,503 |
| Eliminated on disposal | - | - | (16,623) | (16,623) |
| At 31 July 2015 | 2,129,405 | 142,557 | 61,654 | 2,425,786 |
| NET BOOK VALUE | | | | |
| At 31 July 2015 | 1,343,777 | 99,258 | 13,058 | 5,129,606 |
| At 31 July 2014 | 1,159,090 | 91,943 | 16,945 | 4,889,594 |

Cost or valuation at 31 July 2015 is represented by:

| | Freehold property £ | Long leasehold £ | Improvements to property £ |
|-------------------|---------------------------|------------------------|-------------------------------------|
| Valuation in 2008 | - | 500,756 | (84,407) |
| Valuation in 2014 | (280,000) | (100,000) | (147,097) |
| Cost | 3,107,811 | 199,244 | 569,376 |
| | 2,827,811 | 600,000 | 337,872 |

| | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|-------------------|-----------------------------|----------------------------------|------------------------|-------------|
| Valuation in 2008 | - | - | - | 416,349 |
| Valuation in 2014 | - | - | - | (527,097) |
| Cost | 3,473,182 | 241,815 | 74,712 | 7,666,140 |
| | 3,473,182 | 241,815 | 74,712 | 7,555,392 |

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 July 2015**

7. TANGIBLE FIXED ASSETS - continued

If long leasehold property had not been revalued it would have been included at the following historical cost:

| | 2015 £ | 2014 £ |
|------------------------|----------------|----------------|
| Cost | <u>199,244</u> | <u>199,244</u> |
| Aggregate depreciation | <u>63,645</u> | <u>59,660</u> |

Long leasehold property was valued on an open market basis on 19 December 2014 by Petty Chartered Surveyors.

If freehold property had not been revalued it would have been included at the following historical cost:

| | 2015 £ | 2014 £ |
|------------------------|------------------|------------------|
| Cost | <u>3,107,811</u> | <u>3,107,811</u> |
| Aggregate depreciation | <u>349,594</u> | <u>287,438</u> |

Freehold property was valued on an open market basis on 19 December 2014 by Petty Chartered Surveyors.

8. STOCKS

| | 2015 £ | 2014 £ |
|------------------|------------------|------------------|
| Raw materials | 1,541,734 | 1,053,073 |
| Work-in-progress | 124,756 | 128,653 |
| Finished goods | 304,578 | 286,990 |
| | <u>1,971,068</u> | <u>1,468,716</u> |

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2015 £ | 2014 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 3,208,122 | 2,808,782 |
| Amounts owed by group undertakings | 681,930 | 578,301 |
| Amounts owed by related parties | - | 154,962 |
| Other debtors | 431,439 | 100 |
| Prepayments and accrued income | 193,036 | 400,932 |
| | <u>4,514,527</u> | <u>3,943,077</u> |

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 July 2015**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2015 | 2014 |
|---|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts (see note 12) | 64,000 | 64,000 |
| Trade creditors | 757,288 | 748,595 |
| Amounts owed to group undertakings | 297,152 | 229,626 |
| Amounts owed to related parties | 116,687 | 79,433 |
| Tax | 311,239 | 211,006 |
| Social security and other taxes | 73,477 | 123,127 |
| Other creditors | 468,767 | 43,220 |
| Accrued expenses | 274,933 | 155,213 |
| | <u>2,363,543</u> | <u>1,654,220</u> |

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2015 | 2014 |
|--------------------------|------------------|------------------|
| | £ | £ |
| Bank loans (see note 12) | <u>1,073,791</u> | <u>1,137,816</u> |

12. LOANS

An analysis of the maturity of loans is given below:

| | 2015 | 2014 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year or on demand: | | |
| Bank loans | <u>64,000</u> | <u>64,000</u> |
| Amounts falling due between one and two years: | | |
| Bank loans - 1-2 years | <u>64,000</u> | <u>64,000</u> |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | <u>192,000</u> | <u>192,000</u> |
| Amounts falling due in more than five years: | | |
| Repayable by instalments | | |
| Bank loans more than 5 years | <u>817,791</u> | <u>881,816</u> |

The bank loan, which had a capital balance outstanding of £1,137,791 at 31 July 2015, is repayable over 18 years to 2033 at £5,333 per month.

Interest is charged on the loan at 1.1% above LIBOR. These interest costs are expensed to the profit and loss account in the period to which they relate.

LIBOR is the London InterBank Offered Rate in relation to £ Sterling.

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 July 2015**

13. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

| | Other operating leases | |
|----------------------------|------------------------|------------|
| | 2015 | 2014 |
| | £ | £ |
| Expiring: | | |
| Between one and five years | 840 | 840 |
| In more than five years | 19,114 | - |
| | <u>19,954</u> | <u>840</u> |

14. SECURED DEBTS

The following secured debts are included within creditors:

| | 2015 | 2014 |
|------------|------------------|------------------|
| | £ | £ |
| Bank loans | <u>1,137,791</u> | <u>1,201,816</u> |

These debts are secured by way of:

1. A first legal charge, dated April 2008, over the freehold and leasehold properties held by the company.
2. A mortgage debenture given by the company dated April 2008.
3. A cross guarantee structure between all companies in the Lendlock Group.

15. FINANCIAL INSTRUMENTS

The company is committed to purchase 71 metric tonnes of aluminium at an average of 2,013 EUR per metric tonne after the year end.

16. PROVISIONS FOR LIABILITIES

| | 2015 | 2014 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Deferred tax | | |
| Accelerated capital allowances | <u>143,029</u> | <u>54,386</u> |
| | | Deferred tax |
| | | £ |
| Balance at 1 August 2014 | | 54,386 |
| P&L charge in year | | <u>88,643</u> |
| Balance at 31 July 2015 | | <u>143,029</u> |

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:
Number: Class:

6 Ordinary

Nominal
value:
£1

| | 2015 | 2014 |
|--|----------|----------|
| | £ | £ |
| | <u>6</u> | <u>6</u> |

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 July 2015**

18. RESERVES

| | Profit and loss account £ | Revaluation reserve £ | Totals £ |
|-----------------------------|------------------------------------|-----------------------------|-------------------|
| At 1 August 2014 | 12,491,760 | 230,251 | 12,722,011 |
| Profit for the year | 2,145,171 | | 2,145,171 |
| Transfer of realised profit | 5,233 | (5,233) | - |
| At 31 July 2015 | <u>14,642,164</u> | <u>225,018</u> | <u>14,867,182</u> |

19. ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking and controlling party is Lendlock Group Limited and its immediate parent undertaking is Lendlock International Limited.

20. RELATED PARTY DISCLOSURES

(1) The following are subsidiaries to the company as they are all members of the same group:

Lendlock International Limited
Scott Closures International Limited
Nekem Limited

The company is a wholly owned subsidiary at the balance sheet date and is not required to disclose related party transactions under FRS 8.

(2) The following companies are related parties to the company as they are under common control:

Plusimage Limited

A company over which M Duffell has significant influence

| | 2015 £ | 2014 £ |
|------------------------|-----------|-----------|
| Purchases (net of VAT) | 447,859 | 359,796 |

| | 2015 £ | 2014 £ |
|---|----------------|---------------|
| Amount due to related party at the balance sheet date | <u>105,463</u> | <u>78,075</u> |

GTL Plastics Limited

Related by common control

| | 2015 £ | 2014 £ |
|------------------------|-----------|-----------|
| Purchases (net of VAT) | 53,500 | 78,218 |

| | 2015 £ | 2014 £ |
|--|-----------------|----------------|
| Amount due (to)/from related party at the balance sheet date | <u>(11,223)</u> | <u>154,962</u> |

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 July 2015

20. RELATED PARTY DISCLOSURES - continued

Mackenzie King Limited
Related by common control

| | 2015 £ | 2014 £ |
|------------------------|-----------|-----------|
| Purchases (net of VAT) | 1,564 | 3,593 |

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| Amount due to related party at the balance sheet date | - | 1,357 |

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2015 £ | 2014 £ |
|--|-------------------|-------------------|
| Profit for the financial year | 2,145,171 | 1,317,599 |
| Other recognised gains and losses relating to the year (net) | - | (156,103) |
| Net addition to shareholders' funds | 2,145,171 | 1,161,496 |
| Opening shareholders' funds | 12,722,017 | 11,560,521 |
| Closing shareholders' funds | 14,867,188 | 12,722,017 |

22. AUDITOR'S REMUNERATION

As the ultimate parent company is required, on a group wide basis, to provide an analysis of remuneration receivable by the company's auditors under the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008, this information has not been disclosed in the company's accounts.