

Registered number: 02221529

INTERLUBE UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



INTERLUBE UK LIMITED

COMPANY INFORMATION

Directors J T Mihaila (resigned 1 December 2016)
C A Coughlin
K A Roellgen
P D Fracassa (appointed 1 December 2016)

Company secretary M Williams

Registered number 02221529

Registered office Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Independent auditor Crowe Clark Whitehill LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers Bank of Scotland Commercial
Lloyds Banking Group
234 High Street
Exeter
EX1 1UZ

Solicitors Michelmores LLP
Woodwater House
Pynes Hill
Exeter
EX2 5WR

INTERLUBE UK LIMITED

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INTERLUBE UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Directors

The Directors who served during the year were:

J T Mihaila (resigned 1 December 2016)
C A Coughlin
K A Roellgen
P D Fracassa (appointed 1 December 2016)

INTERLUBE UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

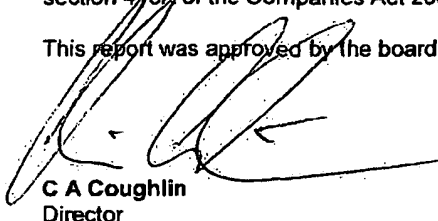
Auditor

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 10 August 2017 and signed on its behalf.



C A Coughlin
Director

INTERLUBE UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INTERLUBE UK LIMITED

We have audited the financial statements of Interlube UK Limited for the year ended 31 December 2016, set out on pages 5 to 10. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 1As explained more fully in the Directors' Responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit or loss 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.

INTERLUBE UK LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INTERLUBE UK LIMITED
(CONTINUED)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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 Directors' Report has been prepared in accordance with applicable legal requirements

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.



Dave Darlaston (This report is not yet signed) (Senior statutory auditor)

for and on behalf of
Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 15 September 2017

INTERLUBE UK LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover		1,778,250	1,489,231
Cost of sales		(1,160,850)	(1,094,830)
Gross profit		617,400	394,401
Administrative expenses		(446,578)	(337,323)
Operating profit		170,822	57,078
Interest payable and expenses		-	(3,473)
Profit before tax		170,822	53,605
Tax on profit		(34,164)	(14,317)
Profit after tax		136,658	39,288
Retained earnings at the beginning of the year		334,533	295,245
Profit for the year		136,658	39,288
Retained earnings at the end of the year		471,191	334,533

The notes on pages 7 to 10 form part of these financial statements.

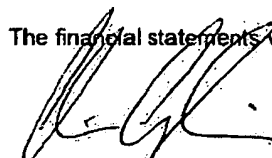
INTERLUBE UK LIMITED
REGISTERED NUMBER: 02221529

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	19,163	31,939
		<u>19,163</u>	<u>31,939</u>
Current assets			
Stocks		210,321	187,870
Debtors: amounts falling due within one year	7	286,143	357,697
Cash at bank and in hand		134,355	52,288
		<u>630,819</u>	<u>597,855</u>
Creditors: amounts falling due within one year	8	(178,691)	(295,161)
Net current assets		<u>452,128</u>	<u>302,694</u>
Total assets less current liabilities		<u>471,291</u>	<u>334,633</u>
Net assets		<u>471,291</u>	<u>334,633</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		471,191	334,533
		<u>471,291</u>	<u>334,633</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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


C A Coughlin
Director

10 August 2017

The notes on pages 7 to 10 form part of these financial statements.

INTERLUBE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Interlube UK Limited is a company registered in England and Wales, registration number 02221529. The registered office is Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG and the principal place of business is 85 St Modwen Road, Plymouth, PL6 8LH.

The principal activity of the Company is that of retailing and servicing of industrial lubrication systems.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

The following principal accounting policies have been applied:

2.2 Revenue

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Revenue is recognised at the point of dispatch or when the services are provided.

2.3 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 management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Plant & machinery	-	15% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	15% to 33% straight line

INTERLUBE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Work in progress and finished goods include all direct costs and an appropriate proportion of fixed and variable overheads.

2.5 Financial instruments

Debtors

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

Creditors

Short term trade creditors are measured at transaction price.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

There are no complex financial instruments.

3. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>4,100</u>	<u>4,000</u>

4. Employees

The average monthly number of employees, including directors, during the period was 17 (2015: 15).

INTERLUBE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2016	47,233	16,324	22,430	108,649	194,636
Additions	2,125	502	-	6,350	8,977
Disposals	-	(750)	(10,190)	-	(10,940)
At 31 December 2016	49,358	16,076	12,240	114,999	192,673
Depreciation					
At 1 January 2016	37,833	13,053	17,891	93,920	162,697
Charge for the period on owned assets	8,143	1,425	2,049	9,474	21,091
Disposals	-	(88)	(10,190)	-	(10,278)
At 31 December 2016	45,976	14,390	9,750	103,394	173,510
Net book value					
At 31 December 2016	3,382	1,686	2,490	11,605	19,163
At 31 December 2015	9,400	3,271	4,539	14,729	31,939

6. Stocks

	2016 £	2015 £
Finished goods and goods for resale	210,321	187,870
	<u>210,321</u>	<u>187,870</u>

INTERLUBE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Debtors

	2016	2015
	£	£
Trade debtors	256,800	320,378
Prepayments and accrued income	27,602	31,081
Deferred taxation	1,741	6,238
	286,143	357,697

8. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	34,991	33,745
Amounts owed to group undertakings	62,297	168,349
Other taxation and social security	47,239	54,463
Other creditors	5,837	5,793
Accruals and deferred income	28,327	32,811
	178,691	295,161

9. Commitments under operating leases

At 31 December 2016, the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £Nil (2015: £8,459).

The amount charged as an expense to the Income Statement during the year totalled £8,459 (2015: £8,459).

10. Controlling party

The Company's immediate Parent Company is Interlube Limited a Company incorporated in the United Kingdom. The Company's ultimate Parent Company is The Timken Company, a company incorporated in the United States of America. The smallest and largest group for which Group financial statements are prepared that include and consolidate the results of Interlube UK Limited for the year ended 31 December 2016 is The Timken Company. The registered office where these financial statements can be obtained is 4500 Mount Pleasant St NW North Canton, OH 44720.