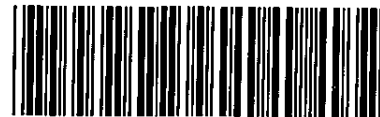

BIRCH VALLEY PLASTICS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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BIRCH VALLEY PLASTICS LIMITED

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BIRCH VALLEY PLASTICS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

The Directors present their report and the financial statements for the year ended 30 September 2017.

Principal activity

The principal activity of the Company in the period under review was that of a manufacturer and supplier of Heat-Shrinkable and Insulated Tubing. The Company ceased trading at 31 January 2017 and is now dormant.

Business review

The Company is managed as part of an overall group of companies whose ultimate parent company is Diploma PLC ("the Group").

The Profit and Loss Account shows a profit on ordinary activities after taxation of £4,779 for the four month period (2016: £532,469).

In the prior period, Diploma PLC acquired 100% of the issued share capital of the immediate parent company, Cablecraft Limited, through its wholly owned subsidiary Diploma Holdings PLC. Following the acquisition, the Company's year end was changed to be consistent with the Group resulting in an 18-month financial prior period, therefore amounts are not entirely comparable.

On 31 January 2017, the trade and assets of the Company were sold to Cablecraft Limited, the immediate parent company, at net book value. The consideration, of which, has been satisfied by a combination of cash and intercompany balances. The Company has ceased trading from this date. The assets and liabilities sold are detailed in note 9.

The principal risks and uncertainties of the Company are integrated with the principal risks and uncertainties of the Group and are not managed separately. The Group manages its funding and liquidity risks on a consolidated basis, as referred to in the accounting policies. Full disclosure of the Group's financial risk management policies are set out in the consolidated financial statements of Diploma PLC which are prepared under International Financial Reporting Standards.

The matters required to be discussed in the Business Review, which include the key performance indicators and principal risks and uncertainties, are set out in the Annual Report & Financial Statements of Diploma PLC on pages 28 to 35. A copy of this is available on the website at www.diplomapl.com or can be obtained from the Group Company Secretary, Diploma PLC, 12 Charterhouse Square, London, EC1M 6AX.

Directors

The Directors who served during the year were:

N P Lingwood
B M Thompson
I C King-Lee

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

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.

BIRCH VALLEY PLASTICS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

This report was approved by the Board on 13 February 2018 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'I C King-Lee', is written over a circular stamp or seal.

I C King-Lee
Director

BIRCH VALLEY PLASTICS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 101 'Reduced Disclosure Framework'. 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; 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 to 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.

BIRCH VALLEY PLASTICS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

		30 September 2017	<i>Period ended 30 September 2016</i>
	Note	£	£
Revenue	4	556,794	2,500,679
Cost of sales		(257,472)	(1,266,091)
Gross profit		299,322	1,234,588
Administrative expenses		(295,391)	(689,602)
Operating profit	5	3,931	544,986
Interest receivable and similar income		114	-
Profit before tax		4,045	544,986
Tax on profit	8	734	(12,517)
Profit for the financial year		4,779	532,469

There were no items of comprehensive income for 2017 or 2016 other than those included in the profit and loss account, and thus no separate statement of other comprehensive income has been prepared.

The notes on pages 7 to 14 form part of these financial statements.

All amounts relate to discontinued activities.

BIRCH VALLEY PLASTICS LIMITED
REGISTERED NUMBER: 02316354

BALANCE SHEET
AS AT 30 SEPTEMBER 2017

	Note	2017 £	2016 £
Tangible assets	10	-	17,922
		<u>-</u>	<u>17,922</u>
Current assets			
Stocks	11	-	105,405
Debtors: amounts falling due within one year	12	76,002	1,313,370
Cash at bank and in hand	13	-	68,442
		<u>76,002</u>	<u>1,487,217</u>
Creditors: amounts falling due within one year	14	-	(217,293)
Net current assets		<u>76,002</u>	<u>1,269,924</u>
Total assets less current liabilities		<u>76,002</u>	<u>1,287,846</u>
Deferred taxation	15	-	(166)
		<u>-</u>	<u>(166)</u>
Net assets		<u><u>76,002</u></u>	<u><u>1,287,680</u></u>
Capital and reserves			
Called up share capital		76,002	76,002
Profit and loss account		-	1,211,678
		<u>76,002</u>	<u>1,287,680</u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Company was entitled to exemption from audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 13 February 2018.


I C King-Lee
 Director

The notes on pages 7 to 14 form part of these financial statements.

BIRCH VALLEY PLASTICS LIMITED
REGISTERED NUMBER: 02316354

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2017

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Called up share capital	Profit and loss account	Shareholder's funds
	£	£	£
At 1 April 2015	76,002	679,209	755,211
Profit for the period	-	532,469	532,469
Total comprehensive income for the period	-	532,469	532,469
At 30 September 2016	76,002	1,211,678	1,287,680
Profit for the year	-	4,779	4,779
Total comprehensive profit for the period	-	4,779	4,779
Dividends paid	-	(1,216,457)	(1,216,457)
At 30 September 2017	76,002	-	76,002

The notes on pages 7 to 14 form part of these financial statements.

BIRCH VALLEY PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. General information

The Company is a private company, limited by shares, incorporated in the United Kingdom under Companies Act 2006 and registered in England and Wales. The address of the registered office is 12 Charterhouse Square, London, EC1M 6AX. The Company's financial statements are presented in UK Sterling and all values are rounded to the nearest pound, except where otherwise indicated.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company accounting policies.

As the consolidated financial statements of Diploma PLC include the equivalent disclosures, the Company has taken advantage of the following disclosure exemptions available under FRS 101:

- A Cash Flow Statement and related notes as required by IAS 7 'Statement of Cash Flows';
- A comparative period reconciliation for share capital as required by IAS 1 'Presentation of Financial Statements';
- Disclosures in respect of transactions with wholly owned subsidiaries as required by IAS 24 'Related Party Disclosures';
- Disclosures in respect of capital management as required by paragraphs 134 to 136 of IAS 1 'Presentation of Financial Statements';
- The effects of new but not yet effective IFRSs as required by paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
- Disclosures in respect of the compensation of Key Management Personnel as required by paragraph 17 of IAS 24 'Related Party Disclosures'; and
- Requirements of 91 to 99 of IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instruments: Disclosures'.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. There were no new standards, amendments or interpretations to existing standards which have been published or endorsed by the EU and which have a significant impact on the results or financial position for the year ended 30 September 2017.

2.2 Going concern

These financial statements are prepared in accordance with the Companies Act 2006, applicable UK accounting standards and under the historical cost convention. On 31 January 2017, the Company transferred its trade and assets to Cablecraft Limited, a related group company, and has not traded since that date. The Directors have therefore prepared the financial statements on the basis that the Company is no longer trading.

To enable the Company to claim exemption from a statutory audit under s479 of the Companies Act 2006, the assets of the Company as at 30 September 2017 have been guaranteed by the Company's ultimate parent company. The Directors have assessed the ability of Diploma PLC to provide this support and concluded that it is able to do so. The consolidated financial statements of Diploma Plc are available to the public and may be obtained from the Group Secretary, Diploma PLC, 12 Charterhouse Square, London, EC1M 6AX.

BIRCH VALLEY PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Dividends

Equity dividends are recognised when they become legally payable.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet 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 balance sheet date.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The Directors have considered whether there are any such sources of estimation or critical accounting judgements in forming the financial statements and do not determine there to be any for the purposes of disclosure.

BIRCH VALLEY PLASTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

4. Revenue

Revenue represents the amounts derived from the provision of goods and services during the year, after the deduction of trade discounts and value added tax. All revenue arose within the United Kingdom.

Analysis of revenue by country of destination:

	30 September 2017	<i>Period ended 30 September 2016</i>
	£	£
United Kingdom	518,872	2,230,606
Rest of Europe	37,922	265,072
Rest of the world	-	5,001
	556,794	2,500,679

5. Operating profit

The operating profit is stated after charging:

	30 September 2017	<i>Period ended 30 September 2016</i>
	£	£
Depreciation of tangible fixed assets	3,513	45,827
Cost of defined contribution scheme	3,228	20,642
Operating lease payments	22,057	13,446

6. Employees

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

	30 September 2017	<i>Period ended 30 September 2016</i>
	No.	No.
Average number of employees	22	28

The trade and assets were sold to Cablecraft Limited on 31 January 2017 (note 9). After this date the Company ceased to have any employees. For the four months ended 31 January 2017 the average number of employees was 22.

BIRCH VALLEY PLASTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

7. Directors' remuneration

All emoluments for the Company's Directors for the year ended 30 September 2017 and period ended 30 September 2016 were borne by other Group subsidiaries of the Company's ultimate parent company Diploma PLC.

8. Taxation

	30 September 2017 £	<i>Period ended 30 September 2016 £</i>
Corporation tax		
Current tax on profits for the year	(567)	22,567
Total current tax	(567)	22,567
Deferred tax		
Origination and reversal of timing differences	(167)	(10,050)
Total deferred tax	(167)	(10,050)
Taxation on profit on ordinary activities	(734)	12,517

BIRCH VALLEY PLASTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

8. Taxation (continued)**Factors affecting tax (credit) / charge for the period**

The tax assessed for the year/period is lower than (2016 - lower than) the effective rate of corporation tax in the UK of 19.5% (2016: 20%). The differences are explained below:

	30 September 2017 £	<i>Period ended 30 September 2016 £</i>
Profit on ordinary activities before tax	4,045	544,986
Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 19.5% (2016: 20%)	789	108,997
Effects of:		
Depreciation in excess of capital allowances	-	2,943
Other differences leading to an increase / (decrease) in taxation	(1,356)	(2,375)
Book profit on chargeable assets	-	(94,336)
Chargeable gain on property	-	7,829
Unrelieved tax losses carried forward	-	(491)
Origination and reversal of timing differences	(167)	(10,050)
Total tax (credit) / charge for the period	(734)	12,517

Factors that may affect future tax charges

The standard rate of UK corporation tax reduced from 20% to 19% on 1 April 2017. The 2015 summer budget stated that the rate of corporation tax will be reduced from 19% to 18% from 1 April 2020. This change received Royal Assent on 18 November 2015. Subsequently, the 2016 Budget stated that from 1 April 2020 the rate will instead reduce to 17%. This change received Royal Assent on 15 September 2016.

BIRCH VALLEY PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

9. Sale of trade and assets to the immediate parent undertaking

On 31 January 2017, the trade and assets of the Company were sold to Cablecraft Limited, the immediate parent undertaking, at Net Book Value. The table below sets out the book value of the assets and liabilities sold which is also their fair value.

	£
Fixed Assets	26,075
Stock	122,112
Debtors	1,215,085
Creditors	(190,862)
Net book value of assets sold	1,172,410

The consideration was satisfied by a combination of cash and intercompany balances.

10. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 October 2016	470,348	54,537	524,885
Additions	11,764	-	11,764
Transfers intra group	(458,794)	(54,537)	(513,331)
Disposals	(23,318)	-	(23,318)
At 30 September 2017	-	-	-
At 1 October 2016	465,061	41,901	506,962
Charge for the year on owned assets	1,728	1,784	3,512
Transfers intra group	(443,471)	(43,685)	(487,156)
Disposals	(23,318)	-	(23,318)
At 30 September 2017	-	-	-
Net book value			
At 30 September 2017	-	-	-
At 30 September 2016	5,287	12,636	17,923

BIRCH VALLEY PLASTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

11. Stocks

	2017	2016
	£	£
Finished goods	-	105,405

12. Debtors

	2017	2016
	£	£
Trade debtors	-	250,419
Amounts owed by group undertakings	76,002	1,041,537
Prepayments and accrued income	-	21,414
	76,002	1,313,370

All amounts are due within one year, repayable on demand and non-interest bearing.

13. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	-	68,442

14. Creditors

	2017	2016
	£	£
Trade creditors	-	128,843
Corporation tax	-	10,054
Other taxation and social security	-	55,645
Other creditors	-	22,751
	-	217,293

BIRCH VALLEY PLASTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

15. Deferred taxation

	2017 £	2016 £
At beginning of year	(166)	(10,216)
Transferred as part of the sale of liabilities (note 9)	166	10,050
At end of year	-	(166)

The deferred taxation balance is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	-	(166)
	-	(166)

16. Commitments under operating leases

The Company had no commitments under the non-cancellable operating leases as at the balance sheet date.

17. Controlling party

The immediate parent undertaking is Cablecraft Limited. The registered office address of the immediate parent undertaking is the same and consistent with below.

Diploma PLC, a Company incorporated in England, is the ultimate parent undertaking and is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of Diploma PLC can be obtained from the Group Company Secretary at 12 Charterhouse Square, London, EC1M 6AX.