Autorestore Limited

Annual report and Financial Statements

Registered number 02354648

31 December 2015

Contents

Strategic report

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

Business review

The principal activity of Autorestore Limited is the mobile repair of minor accident damage to vehicles.

Turnover for the year ending 31 December 2015 was £12,584,000 (2014: £12,567,000), with gross profit of £5,006,000 (2014: £4,817,000). After deducting central costs, the Company recorded a loss before interest and tax of £315,000 (2014: £12,674,000). £nil (2014 £11,223,000) of this loss before interest and tax is attributable to impairment of goodwill and write off of investments, this along with operational efficiency and good cost control are the significant factors as to why year on year losses were much improved.

The Company's key financial and other performance indicators during the year were as follows:

	2015	***2014***	***Change***
	£000	***£000***	*0.1%*
Turnover	12,584	12,567	0.2%
Gross profit	5,006	4,817	3.9%
Loss for the year after tax	(996)	(12,489)	(92.0)%
Shareholders' deficit	(5,627)	(4,631)	21.5%
Average number of employees	176	194	(9.3)%

The business focus will be to continue to support the activities of the Belron Group in the UK vehicle repair sector. There is no expectation of a change in strategic emphasis in the foreseeable future. The expectation is that the growth of the Group will support the continuing operation of the Company and deliver new commercial opportunities for revenue and profit generation.

Principal risks and uncertainties

The economic climate for the business has progressed since the downturn following the credit crunch, with miles driven increasing year on year and more vehicles now back on the road. This provides a healthy economic platform for the business to grow in crash repair and the automotive market overall. The directors have considered these factors, as well as any potential impact following the UK's forthcoming exit from the EU, and thus continue to adopt the going concern basis of accounting in preparing the annual financial statements.

By order of the board

P Lewis
Director
27th September 2016
Signal House
Crown Way
Crown Park
Rushden
Northamptonshire
NN10 6BS

Directors' report

The directors present their report and financial statements for the year ended 31 December 2015.

Results and dividends
The loss for the year, after taxation, amounted to £996,000 (2014: £12,489,000). Nil dividends (2014: nil) were paid during the year.

Principal activities and review of the business
The ultimate parent company of Autorestore Limited ("the Company") is S.A. D'Ieteren N.V., and the Company operates as part of the group of companies owned by Belron S.A. ("the Group"). The principal activity of the Company is the mobile repair of minor accident damage to vehicles.

Business and financial review
The business and financial review are discussed in the strategic report on page 1.

Directors
The directors who served the Company during the year ending the 31 December 2015, were as follows:
R Bass
D Meller
N Doggett
C Eldridge
P Lewis

Directors' qualifying third party indemnity provisions
The Belron SA Group has a Directors' & Officers' Liability insurance policy in place for the directors and officers of all Group companies and, in so far as permitted by law, limited indemnities are provided to its directors and officers. The definition of Indemnifiable Loss in the policy is as follows: "Indemnifiable Loss means loss for which a Company has indemnified or is permitted or required to indemnify an insured to the fullest extent authorised or not prevented by any law or contract, or the charter, bylaws, operating agreement or similar documents of a Company."

Going concern
The financial statements have been prepared on a going concern basis, notwithstanding the net current liabilities as its immediate parent, Belron International Limited has confirmed its intention to make available such funds, as needed by the Company to continue in operational existence for the foreseeable future, by meeting their liabilities as and when they fall due for payment, being a period of at least twelve months from the date of approval of these financial statements.

Political contributions
The Company did not make any political donations or incurred any political expense during the year (2014: nil).

Directors' statement as to disclosure of information to auditors
The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that ought to be taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors
Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

P Lewis
Director
27th September 2016
Signal House, Crown Way, Crown Park
Rushden
Northamptonshire, NN10 6BS

Statement of directors' responsibilities in respect of the Strategic report, the Director's report and the financial statements

to the members of Autorestore Limited

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 judgments and 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; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

Independent auditor's report

to the members of Autorestore Limited

We have audited the financial statements of Autorestore Limited for the year ended 31 December 2015 set out on pages 5 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 set out on page 3, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

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

Zulfikar Walji (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
27th September 2016

Profit and loss account
for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Turnover		12,584	12,567
Cost of sales		(7,578)	(7,750)
Gross profit		5,006	4,817
Distribution costs		(3,416)	(3,793)
Administrative expenses		(1,905)	(2,475)
Goodwill impairment charge		-	(9,166)
Amounts written off investments		-	(2,057)
Operating loss	2	(315)	(12,674)
Interest payable and similar charges	5	(798)	(735)
Loss on ordinary activities before taxation		(1,113)	(13,409)
Tax on loss on ordinary activities	6	117	920
Loss for the period		(996)	(12,489)

Other Comprehensive Income

	2015 £'000	2014 £'000
Loss for the financial year	(996)	(12,489)
Total comprehensive expense for the year	(996)	(12,489)

All results relate to continuing operations.

The statement of profit and loss and other comprehensive income should be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 8 to 21.

There are no recognised gains or losses other than the loss of £996,000 attributable to the shareholders for the year ended 31 December 2015.

Notes to the financial statements
for the year ended 31 December 2015

1 *Accounting policies*

Autorestore Limited (the "Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101").* The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101 from old UK GAAP, the Company has made measurement and recognition adjustments which can be seen in note 18.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 18.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 January 2014 have not been restated.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Investment in subsidiaries – carrying amount of the Company's cost of investment in subsidiaries under existing UK GAAP is its deemed cost at 1 January 2014 on transition to FRS 101;
- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs;

As the consolidated financial statements of S.A. D'Ieteren N.V. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company in prior periods including the comparative period reconciliation for goodwill;

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

Measurement convention
The financial statements are prepared on the historical cost basis.

Balance sheet
at 31 December 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	7	544	1,119
		544	1,119
Current assets			
Stock		69	73
Debtors (Including £23,306 (2014: £11,794,029) due after more than one year)	9	4,669	15,779
		4,738	15,852
Current liabilities			
Creditors: amounts falling due within one year	10	(3,297)	(4,400)
Bank overdraft		(751)	(430)
Net current assets		690	11,022
Total assets less current liabilities		1,234	12,141
Creditors: amounts falling due after more than one year	11	(6,861)	(16,772)
		(5,627)	**(4,631)**
Capital and reserves			
Called up share capital	15	1	1
Share Premium	16	14,969	14,969
Profit and loss account	16	(20,597)	(19,601)
Shareholder's deficit	16	**(5,627)**	**(4,631)**

The balance sheet should be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 8 to 21.

These financial statements were approved by the Board of Directors on 27th September 2016 and signed on behalf of the Board of Directors.

P Lewis
Director
Company registered number: 02354648

Date: 27th September 2016

Statement of Changes in Equity
for the year ended 31 December 2015

	Share capital	*Share Premium*	*Profit and loss account*	*Total equity*
	£000	*£000*	*£000*	*£000*
As at 1 January 2014	1	14,969	(7,112)	7,858
Issued share capital	-	-	-	-
Total comprehensive expense for the year	-	-	(12,489)	(12,489)
At 31 December 2014	1	14,969	(19,601)	(4,631)
As at 1 January 2015	1	14,969	(19,601)	(4,631)
Issued share capital	-	-	-	-
Total comprehensive expense for the year	-	-	(996)	(996)
At 31 December 2015	1	14,969	(20,597)	(5,627)

The statement of changes in equity should be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 8 to 21.

Notes to the financial statements
for the year ended 31 December 2015

1 Accounting policies *(continued)*

Going concern
The financial statements have been prepared on the going concern basis, notwithstanding net liability as shown on page 6, which the Directors believe to be appropriate for the following reason. The Company is dependent for its working capital on funds provided to it by Belron International Limited, another group company. Belron International Limited 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.

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

Plant and machinery	-	7 - 17.5 % per annum

Deferred taxation
Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

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

Foreign currencies
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 contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Impairment of fixed assets and goodwill
The carrying amounts of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.
An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits.

Turnover
Turnover represents amounts receivable for goods and services provided in the normal course of business, net of VAT and trade discounts. All turnover is attributable to the minor repair of automotive vehicles. The Company operates in the UK.

Notes to the financial statements
for the year ended 31 December 2015

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest).

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

The Company's employees are members of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is another member of the group. The Company then recognises a cost equal to its contribution payable for the period.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probably that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Notes to the financial statements
for the year ended 31 December 2015

2. Expenses and auditor's remuneration

Included in profit/loss are the following:

	2015	*2014*
	£000	*£000*
Auditor's remuneration – audit of the financial statements	16	14
Impairment loss on goodwill	-	9,166

3. Staff numbers and costs

	2015	*2014*
	£000	*£000*
Wages and salaries	5,534	5,775
Social security costs	559	584
Other pension costs (note 13)	207	383
	6,300	6,742

	2015	*2014*
	No.	*No.*
The average number of employees during the year was a follows:		
Administrative staff	82	85
Distribution and fixing	104	112
	176	194

4. Directors' emoluments

	2015	*2014*
	£000	*£000*
Directors' remuneration	227	209
Company contributions to money purchase pension plans	32	42

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £206,236 (2014: £137,937), and Company pension contributions of £26,926 (2014: £35,070) were made to a money purchase scheme on his behalf. He is a member of a defined benefit scheme, under which his accrued pension at the year-end was £38,184 (2014: £34,606), and his accrued lump sum was £nil (2014: £nil).

	2015	*2014*
	No.	*No.*
Number of directors accruing benefits under defined benefit schemes	2	2

The directors participate in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. See note 13.

Notes to the financial statements
for the year ended 31 December 2015

5. Interest payable and similar charges

	2015 £000	2014 £000
Interest payable to group undertakings	(798)	(735)
	(798)	(735)

6. Tax on loss on ordinary activities

(a) Tax on loss on ordinary activities

The tax charge/ (credit) is made up as follows:

	2015 £000	2014 £000
Current tax:		
Current tax on income for the period	(79)	(467)
Adjustments in respect of prior periods	(6)	(452)
Total current tax (note 6(b))	(85)	(919)
Deferred tax:		
Origination and reversal of timing differences	(54)	(1)
Adjustments in respect of prior periods	1	-
Effect of changes in tax rate	21	-
Total deferred tax (note 6(c))	(32)	(1)
Tax on loss on ordinary activities	(117)	(920)

(b) Factors affecting current tax credit
The major factors affecting the tax charge in the medium term are expected to be the level of permanent differences and the impact of the differences between depreciation and capital allowances.

The Budget on 16 March 2016 included an announcement in respect of the UK corporation tax rate. It is planned to be reduced to 17% from 1 April 2020.

The UK corporation tax rate was 21% from 1 April 2014 and fell to 20% from 1 April 2015. It will remain 20% to 31 March 2017.

The deferred tax asset at 31 December 2015 has been calculated based on the rate of 18%, which was substantively enacted at the balance sheet date.

It has not yet been possible to quantify the full anticipated effect of the announced further rate reductions, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

Notes to the financial statements
for the year ended 31 December 2015

The tax charge/(credit) for the year can be reconciled to the profit/(loss) per the profit and loss account as follows:.

	2015 *£000*	*2014* *£000*
Loss on ordinary activities before tax	(1,113)	(13,409)
Loss on ordinary activities by the standard rate of UK tax at 20.25% (2014: 21.5%)	(225)	(2,883)
Amortisation and impairment of intangibles	-	1,971
Permanent differences	(55)	443
Depreciation in excess of capital allowances	54	(3)
Other timing differences	148	5
Adjustment to tax charge in respect of previous periods	(7)	(452)
Total current tax (note 6(a))	(85)	(919)

(c) Deferred tax asset / (liability)

	2015 *£000*	*2014* *£000*
Deferred tax included in the balance sheet is as follows:		
Depreciation in excess of capital allowances	160	127
Other timing differences	5	6
	165	133
At 1 January	133	131
Movement in the year	32	2
At 31 December	165	133

Notes to the financial statements
for the year ended 31 December 2015

7. Tangible fixed assets

	Plant & machinery £000	*Total £000*
Cost or valuation:		
At 1 January 2015	5,421	5,421
Additions	40	40
Disposals	(19)	(19)
At 31 December 2015	5,442	5,442
Depreciation:		
At 1 January 2015	4,302	4,302
Charge for year	268	268
On disposal	(3)	(3)
Transfer	331	331
At 31 December 2015	4,898	4,898
Net book value:		
At 31 December 2015	544	544
At 1 January 2015	1,119	1,119

Notes to the financial statements
for the year ended 31 December 2015

8. Investments

	Shares in group companies brought forward
	£000
Cost:	
At 1 January 2015	2,057
At 31 December 2015	2,057
Amounts provided:	
At 1 January 2015	2,057
At 31 December 2015	2,057
Net book value:	
At 31 December 2015	-
At 1 January 2015	-

Name of company	Country of incorporation	Holding	Ownership 2015	Ownership 2014
Co Sec Number 4 Limited	United Kingdom	Ordinary shares	100%	100%
ADR Accident Repair Centres Limited *	United Kingdom	Ordinary shares	0%	100%

* Indirect investment

Notes to the financial statements (continued)
for the year ended 31 December 2015

9. Debtors

	2015 £000	2014 £000
Trade debtors	3,240	3,894
Amounts owed from group undertakings	23	11,654
Corporation tax	1,096	-
Prepayments and accrued income	145	98
Deferred tax	165	133
	4,669	15,779

10. Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	137	631
Amounts owed to group undertakings	272	712
Corporation tax	-	250
Other taxation and social security	208	602
Accruals and deferred income	2,575	1,762
Other creditors	105	443
	3,297	4,400

11. Creditors: amounts falling due after more than one year

	2015 £000	2014 £000
Amounts owed to group undertakings	6,861	16,772
	6,861	16,772

12. Commitments under operating leases

Annual commitments under non-cancellable operating leases are as follows:

	2015 £000	2014 £000
Operating leases which expire:		
Within one year	595	531
In two to five years	844	1,303
In over five years	-	-
	1,439	1,834

During the year £415,994 was recognised as an expense in the profit and loss account in respect of operating leases (2014: £536,924).

Notes to the financial statements (continued)
for the year ended 31 December 2015

13. Employee benefits

Belron International SA operates a pension plan with two defined benefit sections - a Final Earnings Section and a Retirement Capital Section. The defined benefit sections of the Plan were closed to future retirement benefit accrual with effect from 31 May 2015, however, certain death in service and ill-health retirement benefits are provided to defined benefit members who remain in service.

The Plan also has one Defined Contribution Section which was opened to new members with effect from 1 October 2011 and to defined benefit members from 1 June 2015. Employer contributions to the defined benefit sections for the year beginning 1 January 2016 are expected to be approximately £1.0m.

The defined benefit obligation of the group plan is recognised on the balance sheet of Belron International Limited (immediate parent undertaking) along with the relevant disclosure requirements, therefore the Company has accounted for the pension scheme as a defined contribution pension scheme.

The total expense relating to the defined benefit plan was £106,482 (2014: £248,386)

The financial statements of Belron International Limited are available to the public and may be obtained from Companies House.

The Plan policy for charging net defined benefit costs to the other group plan members is to account for the pension scheme as a defined contribution pension scheme.

Defined contribution plans
The Company operates one defined contribution pension plans.

The total expense relating to these plans in the current year was £238,165 *(2014:£182,892)*

Defined benefit plans
A full actuarial valuation of the scheme was carried out as at 31 March 2014 and has been updated to 31 December 2015 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms) as follows:

	At 31 December 2015	*At 31 December 2014*
Discount rate	3.90%	*3.70%*
Inflation assumption (RPI)	3.50%	*3.20%*
Inflation assumption (CPI)	2.70%	*2.40%*
Rate of increase in salaries	5.20%	*4.90%*
Rate of increase to pensions in payment accrued pre 6/4/97	2.60%	*2.50%*
Rate of increase to pensions in payment accrued post 6/4/97	3.40%	*3.10%*

Assumed life expectancies on retirement at age 65 are:

	At 31 December 2015	*At 31 December 2014*
Retiring today - Males	23.0 years	22.9 years
Retiring today - Females	24.5 years	24.4 years
Retiring in 20 years' time - Males	24.7 years	24.6 years
Retiring in 20 years' time - Females	26.4 years	26.3 years

Notes to the financial statements (continued)
for the year ended 31 December 2015

13 Employment benefits (continued)

The assumptions used in determining the overall expected return of the plan's assets have been set with reference to yields available on government bonds and appropriate risk margins.
The assets in the scheme were:

	Value at 31 December 2015	Value at 31 December 2014
	£000s	£000s
Equities	193,459	187,817
Corporate Bonds	51,367	54,020
Government Bonds	65,461	64,789
Cash	15,720	7,881
Fair value of scheme assets	326,007	314,507

The actual return on assets of the Plan was £14,116,000 as at 31 December 2015 (2013: £27,510,000). The amounts recognised in the balance sheet of Belron International Limited (immediate parent undertaking) are as follows:

	31 December 2015	31 December 2014
Present value of funded obligations:	291,572	282,695
Fair value of scheme assets	326,007	314,507
Surplus/(deficit) in funded scheme	34,435	31,812
Present value of unfunded obligations:		
Surplus/ (deficit)	34,435	31,812
Net asset/(liability) in balance sheet	34,435	31,812

Notes to the financial statements (continued)
for the year ended 31 December 2015

13 Employment benefits (continued)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	31 December 2015	31 December 2014
	£000s	£000s
Benefit obligation at beginning of year	282,695	254,292
Current Service cost	3,145	7,256
Interest cost	10,372	11,550
Contributions by scheme participants	590	1,623
Actuarial (gain)/losses	3,308	11,916
Benefits paid	(7,518)	(3,942)
Curtailments	(1,020)	-
Benefit obligation at end of year	291,572	282,695

Reconciliation of opening and closing balances of the fair value of scheme assets:

	31 December 2015	31 December 2014
	£000s	£000s
Fair value of scheme assets at beginning of year	314,507	281,897
Interest income on scheme assets	11,589	12,799
Return on assets, excluding interest income	2,877	15,111
Contributions by employers	4,312	7,419
Contributions by scheme participants	590	1,623
Benefits paid	(7,518)	(3,942)
Scheme administrative cost	(350)	(400)
Fair value of scheme assets at end of year	326,007	314,507

The amounts recognised in profit or loss of Belron International Limited:

	31 December 2015	31 December 2014
	£000s	£000s
Service cost - including current service costs, curtailments, past service costs and settlements	2,125	7,256
Service cost - administrative cost	350	400
Net interest on the net defined benefit liability	(1,217)	(1,249)
Total expense	1,258	6,407

Notes to the financial statements (continued)
for the year ended 31 December 2015

13 Employment benefits (continued)

Re-measurements of the net defined benefit liability (asset) to be shown in OCI of Belron International Limited:

	31 December 2015	31 December 2014
	£000s	£000s
Actuarial (gains)/losses on the liabilities	3,308	11,916
Return on assets, excluding interest income	(2,877)	(15,111)
Total remeasurement of the net defined benefit liability (asset) to be shown in OCI	431	(3,195)

14. Guarantees and other financial commitments

a) VAT
The Company is registered for VAT purposes in a group of UK undertakings which share a common registration number. As a result, it has jointly guaranteed the VAT liability of the UK Group, and failure by other members of the group could give rise to additional liabilities for the Company.

b) Borrowings
The Company is guarantor, alongside a number of other fellow group companies, under a Group multi-currency, revolving credit agreement.

15. Share capital

	Allotted, called up and fully paid			
		2015		*2014*
	No.	*£000*	*No.*	*£000*
Ordinary A shares of 1 pence each	101,000	1	101,000	1
Ordinary B shares of 1 pence each	5,316	-	5,316	-

16. Reconciliation of shareholders' funds and movement on reserves

	Share capital	*Share Premium*	*Profit and loss account*	*Total share-holders' funds*
	£000	*£000*	*£000*	*£000*
At 1 January 2015	1	14,969	(19,601)	(4,631)
Loss for the period	-	-	(996)	(996)
At 31 December 2015	1	14,969	(20,597)	(5,627)

Notes to the financial statements (continued)
for the year ended 31 December 2015

17. Ultimate parent company

The Company is a subsidiary undertaking of Belron International Limited which is registered in England and Wales. The ultimate parent company is S.A. D'Ieteren N.V, incorporated in Belgium.

The largest and smallest group in which the results of the Company are consolidated is that headed by S.A. D'Ieteren N.V.

The consolidated financial statements of S.A. D'Ieteren N.V. are available to the public and may be obtained from S.A. D'Ieteren N.V. Rue du Mail 50, B-1050 Brussels, Belgium.

18. Explanation of transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 January 2014 (the Company's date of transition).
In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Reconciliation of profit/ (loss) for 31st December 2014:

		UK GAAP	Effect of transition to FRS 101	FRS 101
Turnover		12,567	-	12,567
Cost of sales		(7,750)	-	(7,750)
Gross profit		4,817	-	4,817
Distribution costs		(4,433)	640	(3,793)
Administrative expenses		(2,475)	-	(2,475)
Goodwill impairment charge		(8,526)	(640)	(9,166)
Amounts written off investments		(2,057)	-	(2,057)
Operating loss	2	(12,674)	-	(12,674)
Interest payable and similar charges	5	(735)	-	(735)
Loss on ordinary activities before taxation		(13,409)	-	(13,409)
Tax on loss on ordinary activities	6	920	-	920
Loss for the period		(12,489)	-	(12,489)

The adjustment noted above is the reclassification between amortisation of goodwill and impairment of goodwill. Goodwill was amortised under old UK GAAP in prior year and then fully impaired at year end. Due to the transition to FRS101, this amortisation is reversed and reclassified to impairment. The impact on the loss for the period is nil.