Report of the Directors and

Financial Statements

for the Year Ended 31 December 2014

for

Abric (Europe) Limited

Contents of the Financial Statements
for the Year Ended 31 December 2014

Abric (Europe) Limited

Company Information
for the Year Ended 31 December 2014

DIRECTORS:	Mr H A Ross Mr S M T Fawcett
REGISTERED OFFICE:	Avebury House 201-249 Avebury Boulevard Milton Keynes MK9 1AU
REGISTERED NUMBER:	03517952 (England and Wales)
AUDITORS:	Rice & Co Limited Chartered Accountants Statutory Auditors Harance House Rumer Hill Road Cannock Staffordshire WS11 0ET

Abric (Europe) Limited (Registered number: 03517952)

Report of the Directors
for the Year Ended 31 December 2014

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors who have held office during the period from 1 January 2014 to the date of this report are as follows:

Mr H A Ross - appointed 16 December 2014
Mr S M T Fawcett - appointed 16 December 2014
Mr L Grilo - resigned 6 June 2014
Miss A Y H Ong - resigned 16 December 2014
Mr S A Tan - resigned 30 May 2014
Mr O E Lock - appointed 30 May 2014 - resigned 16 December 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the 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 International Financial Reporting Standards as adopted by the European Union. 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;
- 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.

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.
This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

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Mr H A Ross - Director

Date: 10 . 9 . 15

Report of the Independent Auditors to the Members of
Abric (Europe) Limited

We have audited the financial statements of Abric (Europe) Limited for the year ended 31 December 2014 on pages five to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 a Report of the Auditors 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 auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 Report of the Directors 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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Abric (Europe) Limited

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 Report of the Directors.

Kevin Preece

Kevin Preece F.C.A (Senior Statutory Auditor)
for and on behalf of Rice & Co Limited
Chartered Accountants
Statutory Auditors
Harance House
Rumer Hill Road
Cannock
Staffordshire
WS11 0ET

Date: 14-09-2015

Abric (Europe) Limited (Registered number: 03517952)

Income Statement for the Year Ended 31 December 2014

	Notes	2014 £	2013 £
CONTINUING OPERATIONS			
Revenue		**2,325,178**	2,837,413
Cost of sales		**(1,909,020)**	(2,394,584)
GROSS PROFIT		**416,158**	442,829
Administrative expenses		**(722,563)**	(680,001)
OPERATING LOSS		**(306,405)**	(237,172)
LOSS BEFORE INCOME TAX	3	**(306,405)**	(237,172)
Income tax	4	**-**	-
LOSS FOR THE YEAR		**(306,405)**	(237,172)

The notes form part of these financial statements

Statement of Comprehensive Income
for the Year Ended 31 December 2014

	2014	2013
	£	£
LOSS FOR THE YEAR	**(306,405)**	(237,172)
OTHER COMPREHENSIVE INCOME	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(306,405)**	(237,172)

The notes form part of these financial statements

Abric (Europe) Limited (Registered number: 03517952)

Statement of Financial Position
31 December 2014

	Notes	2014 £	2013 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**10,386**	13,058
CURRENT ASSETS			
Inventories	6	**366,934**	463,801
Trade and other receivables	7	**527,958**	558,767
Cash and cash equivalents	8	**301,041**	39,453
		1,195,933	1,062,021
TOTAL ASSETS		**1,206,319**	1,075,079
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	9	**900,000**	900,000
Retained earnings	10	**(915,091)**	(608,686)
TOTAL EQUITY		**(15,091)**	291,314
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**1,221,408**	783,763
Tax payable		**2**	2
		1,221,410	783,765
TOTAL LIABILITIES		**1,221,410**	783,765
TOTAL EQUITY AND LIABILITIES		**1,206,319**	1,075,079

The financial statements were approved by the Board of Directors on 10.9.15 and were signed on its behalf by:

Mr S M T Fawcett - Director

The notes form part of these financial statements

Abric (Europe) Limited (Registered number: 03517952)

Statement of Changes in Equity for the Year Ended 31 December 2014

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2013	900,000	(371,514)	528,486
Changes in equity			
Total comprehensive income	-	(237,172)	(237,172)
Balance at 31 December 2013	900,000	(608,686)	291,314
Changes in equity			
Total comprehensive income	-	(306,405)	(306,405)
Balance at 31 December 2014	900,000	(915,091)	(15,091)

The notes form part of these financial statements

Statement of Cash Flows
for the Year Ended 31 December 2014

		2014	2013
		£	£
Cash flows from operating activities			
Cash generated from operations	1	**262,787**	7,030
Net cash from operating activities		**262,787**	7,030
Cash flows from investing activities			
Purchase of tangible non current assets		**(1,387)**	(2,597)
Net cash from investing activities		**(1,387)**	(2,597)
Cash flows from financing activities			
Amount introduced by directors		**188**	-
Amount withdrawn by directors		**-**	(229)
Net cash from financing activities		**188**	(229)
Increase in cash and cash equivalents		**261,588**	4,204
Cash and cash equivalents at beginning of year	2	**39,453**	35,249
Cash and cash equivalents at end of year	2	**301,041**	39,453

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 December 2014

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2014	2013
	£	£
Loss before income tax	(306,405)	(237,172)
Depreciation charges	4,059	4,521
	(302,346)	(232,651)
Decrease/(increase) in inventories	96,867	(73,704)
Decrease in trade and other receivables	30,621	577,729
Increase/(decrease) in trade and other payables	437,645	(264,344)
Cash generated from operations	262,787	7,030

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2014

	31.12.14	1.1.14
	£	£
Cash and cash equivalents	301,041	39,453

Year ended 31 December 2013

	31.12.13	1.1.13
	£	£
Cash and cash equivalents	39,453	35,249

1. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Revenue recognition
Revenue has been recognised in accordance with IAS 18 for sale of goods.

All revenue recognised by the company is derived from ordinary activities, and stated after trade discounts, other sales taxes and net of VAT.

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

Improvements to property	- 20% on cost
Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Computer equipment	- 25% on cost

Financial instruments
Classification of financial instruments:

Financial instruments are classified as financial assets, financial liabilities or equity instruments.

Recognition and valuation of financial asset's:

Financial assets are initially recorded at their fair value net of transaction costs. At each reporting date, the company reviews the carrying value of its financial assets to determine whether there is objective evidence of an indication of impairment. If any such indication exists the recoverable amount is estimated and any identified impairment loss is recognised in the statement of comprehensive income.

Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand and cash deposits which are readily convertible to a known amount of cash.

Trade receivables:

Trade receivables do not carry any interest and are stated at nominal value as reduced by an appropriate allowance for irrecoverable amounts.

Financial liabilities and equity:

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement's entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade payables:

Trade payables are not interest bearing and are stated at their cost.

Ordinary share capital:

For ordinary share capital, the par value is recognised in share capital.

continued...

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

1. **ACCOUNTING POLICIES - continued**

Inventories
Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.
Cost is measured using the First In First Out method of valuation.

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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 income statement on a straight line basis over the period of the lease.

2. **EMPLOYEES AND DIRECTORS**

	2014	2013
	£	£
Wages and salaries	220,559	216,922
Social security costs	14,257	23,395
	234,816	240,317

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

	2014	2013
Directors and other management	1	1
Sales	2	2
Finance	1	1
Administration	2	2
Warehouse	1	3
	7	9

	2014	2013
	£	£
Directors' remuneration	32,692	76,876
Compensation to director for loss of office	65,000	-

The director received benefits in kind during the year valued at £4,309 (2013 £4,316).

continued...

3. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	2014	2013
	£	£
Cost of inventories recognised as expense	1,909,020	2,394,584
Hire of plant and machinery	5,241	5,666
Other operating leases	6,871	9,075
Depreciation - owned assets	4,059	4,520
Auditors' remuneration	6,250	6,003
Auditors' remuneration for non audit work	2,485	755
Rent - operating lease	57,732	51,596
Foreign exchange (gain)/loss	(2,114)	(4,130)

4. INCOME TAX

Analysis of tax expense
No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2014 nor for the year ended 31 December 2013.

5. PROPERTY, PLANT AND EQUIPMENT

	Improvements to property	Plant and machinery	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£	£
COST					
At 1 January 2014	5,645	512	21,446	12,826	40,429
Additions	-	-	-	1,387	1,387
At 31 December 2014	5,645	512	21,446	14,213	41,816
DEPRECIATION					
At 1 January 2014	2,822	512	14,060	9,977	27,371
Charge for year	1,129	-	1,656	1,274	4,059
At 31 December 2014	3,951	512	15,716	11,251	31,430
NET BOOK VALUE					
At 31 December 2014	1,694	-	5,730	2,962	10,386
At 31 December 2013	2,823	-	7,386	2,849	13,058

6. INVENTORIES

	2014	2013
	£	£
Stocks	366,934	463,801

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7. TRADE AND OTHER RECEIVABLES

	2014	2013
	£	£
Current:		
Trade debtors	476,071	507,280
Directors' current accounts	-	188
VAT	34,972	36,866
Prepayments & accrued income	16,915	14,433
	527,958	558,767

A provision for impairment is made where there is objective evidence of impairment which is usually indicated by a delay in the expected cash flows or non payment from customers.

A provision for impairment of £1,080 (2013 £17,778) was made in the year.

The average credit period taken on sale of goods is 74 days (2013: 68 days). No interest is charged on overdue receivables.

Before accepting any new customer, the company obtains relevant credit references to assess the potential customer's credit quality. Credit limits are defined by customer.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

The age profile of the net trade receivables for the company at the year end was as follows:

Days	Current	0 - 30	31 - 60	61 - 90	Over 90	Total
Trade receivables Value	254,852	164,631	36,688	8,936	10,964	476,071
%	53	34	8	2	3	100

8. CASH AND CASH EQUIVALENTS

	2014	2013
	£	£
Cash in hand	40	178
Bank accounts	301,001	39,275
	301,041	39,453

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
900,000	Ordinary	£1	900,000	900,000

continued...

10. RESERVES

	Retained earnings £
At 1 January 2014	**(608,686)**
Deficit for the year	**(306,405)**
At 31 December 2014	**(915,091)**

11. TRADE AND OTHER PAYABLES

	2014 £	2013 £
Current:		
Trade creditors	**47,895**	29,138
Social security and other taxes	**17,396**	6,149
Other creditors	**1,094,135**	742,496
Accrued expenses	**61,982**	5,980
	1,221,408	783,763

The directors consider that the carrying amount of trade and other payables approximate to fair value due to their short maturities. Trade payables are mainly due to be paid within one month.

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2014 £	2013 £
Within one year	**65,256**	69,066
Between one and five years	**33,677**	98,933
	98,933	167,999

continued...

13. FINANCIAL INSTRUMENTS

All financial instruments held by the group, as detailed in this note, are classified as "Loans and Receivables" (trade and other receivables, excluding prepayments, and cash and cash equivalents), "Financial Liabilities measured at amortised cost" (trade and other payables, excluding statutory liabilities, and financial liabilities) and "Fair value through profit and loss" (other financial liabilities which reflect derivative contracts) under IAS 39 "Financial Instruments: Recognition and Measurement".

FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk. Market risk includes interest rate risk, foreign exchange rate risk and price risk. The main financial risks managed by the company are foreign currency risk, liquidity risk and credit risk.

Foreign currency risk:

The company operates internationally and is exposed to foreign currency risk on transactions denominated in a currency other than the functional currency and on the translation of the statement of financial position and statement of comprehensive income of foreign operations into sterling. The company has both cash inflows and outflows in these currencies that create a natural hedge.

Credit risk:

Management aim to minimise the risk of credit losses.

The company's financial assets are bank balances and cash and trade and other receivables, which represent the company's maximum exposure to credit risk in relation to financial assets.

The company's credit risk is primarily attributable to it s trade and other receivables and the group has policies in place to ensure that sales of products and services are made to customers with appropriate creditworthiness.

Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial commitments as they fall due.

The company manages liquidity risk through regular cash flow forecasting and monitoring of cash flows, management review and regular review of working capital and costs.

14. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Immediate Parent company of Abric (Europe) Limited is Essentra Malaysia Sdn Bhd and the Ultimate Parent company is Essentra plc.

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15. RELATED PARTY DISCLOSURES

Included within trade creditors are the following amounts:
£497,536 (2013: £551,908) due to Essentra Malaysia Sdn Bhd (formerly Abric Worldwide Sdn Bhd)
£32,353 (2013: £3,563) due to Abric Eastern International Limited
£564,246 (2013: £204,094) due to Essentra Asia Sdn Bhd (formerly Abric International Sdn Bhd)

During the year the following purchases were made:
£1,228,874 (2013: £1,474,523) from Essentra Malaysia Sdn Bhd (formerly Abric Worldwide Sdn Bhd)
£523,361 (2013: £1,086,109) from Essentra Asia Sdn Bhd (formerly Abric International Sdn Bhd)

Purchases from Essentra Malaysia Sdn Bhd (formerly Abric Worldwide Sdn Bhd) are made up as follows:
Purchases and carriage - £900,343
Expenses recharged - £88,481
Management fee - £240,000

Purchases from Essentra Asia Sdn Bhd (formerly Abric International Sdn Bhd) are made up as follows:
Purchases and carriage - £516,763
Expenses recharged - £6,598

Included within other debtors are the following amounts:
£nil (2013: £17,070) due from Abric North America Inc

Other related parties in existence during the year without any transactions are:
Abric Berhad - Former ultimate parent company
Abric Encode Sdn Bhd - Group company
Abric One Sdn Bhd - Group company
Abric Properties Sdn Bhd - Group company
Abric Commerce (China) Co. Ltd - Group company
Abric Shanghai Ltd - Group company
Abric International Limited - Group company
Abric (Hong Kong) Limited - Group company
Abric Asia Pacific pte. Limited - Group company

Nature of relationships:
Essentra Malaysia Sdn Bhd (formerly Abric Worldwide Sdn Bhd) - Immediate Parent Company
Abric Eastern International Limited - Group Company
Essentra Asia Sdn Bhd (formerly Abric International Sdn Bhd) - Group Company
Abric North America Inc- Group Company

16. EVENTS AFTER THE REPORTING PERIOD

On 17th April 2015, the Company transferred its trade, assets and related liabilities to Essentra Components Limited in return for consideration of £64,189 settled by way of a promissory note issued by the vendor. Abric (Europe) Limited ceased trading as at the date of the transfer.