

COMPANY REGISTRATION NUMBER: 04953775

COMPANIES HOUSE COPY

**Metallisation Limited**

**Financial Statements**

**31 December 2015**



**MURAS BAKER JONES LIMITED**

Chartered accountant & statutory auditor

Regent House  
Bath Avenue  
Wolverhampton  
West Midlands  
WV1 4EG

# **Metallisation Limited**

## **Financial Statements**

**Year ended 31 December 2015**

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# **Metallisation Limited**

## **Officers and Professional Advisers**

### **The board of directors**

T P Lester  
R V C Hill  
S A Barker  
P J Silcox  
S Milton  
M Clayton

### **Company secretary**

P J Silcox

### **Registered office**

Peartree Lane  
Dudley  
West Midlands  
DY2 0XH

### **Auditor**

Muras Baker Jones Limited  
Chartered accountant & statutory auditor  
Regent House  
Bath Avenue  
Wolverhampton  
West Midlands  
WV1 4EG

### **Bankers**

Royal Bank of Scotland  
79/83 Colmore Row  
Birmingham  
B3 2AP

# **Metallisation Limited**

## **Strategic Report**

**Year ended 31 December 2015**

### **Principal activity**

The principal activity of the company continued to be the manufacture of thermal spray equipment and the distribution of thermal spray consumables.

### **Review of business, development and performance**

In 2015 the company continued its strategic policies of developing both new overseas markets and a full product range of high quality thermal spray equipment backed up by the highest standards of customer service. The company has continued to invest in the business facilities to improve efficiency along with the continued recruitment and development of engineering talent.

The financial results for 2015 show a continuation of the steady growth seen over the last 7 years, with turnover increasing by 5% to £13m. A change in sales mix together with an increase in production efficiency has resulted in an increase in profit margins, administration expenses have also decreased following the group restructuring in 2014. As a result the company has achieved a profit for the financial year £1.292m compared to £0.3m for 2014. Exports, to over 70 different countries, continue to comprise over 80% of turnover.

The directors consider that the company has a strong balance sheet and in spite of some difficult trading conditions and intense competition around the globe, is well placed to consolidate its market position in 2016 and beyond. All of this would not be possible without the continued support and dedication of a loyal and skilled workforce and the directors would like to place on record their appreciation of this.

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the company relate to the recoverability of trade debtors. To this effect the company performs credit checks for all significant customers and carries insurance policies to minimise bad debt risk.

The company has some exposure to risk in the respect of certain sales and purchases being in foreign currencies. The risk is managed by forward contracts for currency where it is considered applicable.

Other trading risks are managed by strategic policy of diversifying into new overseas markets and new products.

This report was approved by the board of directors on 21 April 2016 and signed on behalf of the board by:



S Milton  
Director

# **Metallisation Limited**

## **Directors Report**

**Year ended 31 December 2015**

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

### **Directors**

The directors who served the company during the year were as follows:

T P Lester	
R V C Hill	
S A Barker	
P J Silcox	
S Milton	
M Clayton	(Appointed 17 December 2015)
J K Erskine	(Resigned 6 November 2015)

### **Dividends**

Particulars of recommended dividends are detailed in note 11 to the financial statements.

### **Financial instruments**

The company holds financial instruments to finance its operation and as a tool to manage currency exposure risks arising from its operations.

In addition, various financial instruments such as trade debtors and trade creditors arise directly from the company's operations.

Operations and working capital requirements are funded principally out of short term banking facilities and retained profits.

### **Disclosure of information in the strategic report**

The directors have prepared a separate strategic report in accordance with the requirements of section 414 Companies Act 2006.

### **Directors responsibilities statement**

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 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.

# Metallisation Limited

## Directors Report *(continued)*

Year ended 31 December 2015

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.

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 21 April 2016 and signed on behalf of the board by:



S Milton  
Director

# **Metallisation Limited**

## **Independent Auditor's Report to the Shareholders of Metallisation Limited**

**Year ended 31 December 2015**

We have audited the financial statements of Metallisation Limited for the year ended 31 December 2015 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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, 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 strategic report and 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 2015 and of its profit 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.

### **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.

# Metallisation Limited

## Independent Auditor's Report to the Shareholders of Metallisation Limited *(continued)*

Year ended 31 December 2015

### 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.

Oliver Ross BSc(Hons) FCA (Senior Statutory Auditor)

For and on behalf of  
Muras Baker Jones Limited  
Chartered accountant & statutory auditor  
Regent House  
Bath Avenue  
Wolverhampton  
West Midlands  
WV1 4EG

21 April 2016



# Metallisation Limited

## Statement of Income and Retained Earnings

Year ended 31 December 2015

	Note	2015 £	2014 £
<b>Turnover</b>	<b>3</b>	<b>13,018,238</b>	<b>12,326,884</b>
Cost of sales		<u>9,401,668</u>	<u>9,181,234</u>
<b>Gross profit</b>		<b>3,616,570</b>	<b>3,145,650</b>
Distribution costs		228,090	286,642
Administrative expenses		1,971,415	2,455,510
Other operating income	<b>4</b>	<u>44,924</u>	<u>36,166</u>
<b>Operating profit</b>	<b>5</b>	<b>1,461,989</b>	<b>439,664</b>
Other interest receivable and similar income		750	176
Interest payable and similar charges	<b>9</b>	<u>8,195</u>	<u>6,752</u>
<b>Profit on ordinary activities before taxation</b>		<b>1,454,544</b>	<b>433,088</b>
Tax on profit on ordinary activities	<b>10</b>	<u>162,189</u>	<u>124,132</u>
<b>Profit for the financial year and total comprehensive income</b>		<b><u>1,292,355</u></b>	<b><u>308,956</u></b>
Dividends paid and payable	<b>11</b>	<b>(18,208)</b>	<b>(940,000)</b>
<b>Retained earnings at the start of the year</b>		<b>3,189,206</b>	<b>3,820,250</b>
<b>Retained earnings at the end of the year</b>		<b><u>4,463,353</u></b>	<b><u>3,189,206</u></b>

All the activities of the company are from continuing operations.

The notes on pages 10 to 19 form part of these financial statements.

# Metallisation Limited

## Statement of Financial Position

31 December 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	12	704,492	730,127
Investments	13	1	1
		<u>704,493</u>	<u>730,128</u>
<b>Current assets</b>			
Stocks	14	1,591,639	1,922,896
Debtors	15	3,974,784	2,943,691
Cash at bank and in hand	16	659,617	258,439
		<u>6,226,040</u>	<u>5,125,026</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>2,191,052</u>	<u>2,389,820</u>
<b>Net current assets</b>		<u>4,034,988</u>	<u>2,735,206</u>
<b>Total assets less current liabilities</b>		<u>4,739,481</u>	<u>3,465,334</u>
<b>Provisions</b>			
Taxation including deferred tax	19	80,000	80,000
<b>Net assets</b>		<u>4,659,481</u>	<u>3,385,334</u>
<b>Capital and reserves</b>			
Called up share capital	21	196,128	196,128
Profit and loss account	22	4,463,353	3,189,206
<b>Shareholders funds</b>		<u>4,659,481</u>	<u>3,385,334</u>

These financial statements were approved by the board of directors and authorised for issue on 21 April 2016, and are signed on behalf of the board by:



P J Silcox  
Director

Company registration number: 04953775

The notes on pages 10 to 19 form part of these financial statements.

# Metallisation Limited

## Statement of Cash Flows

Year ended 31 December 2015

	Note	2015 £	2014 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		1,292,355	308,956
<i>Adjustments for:</i>			
Depreciation of tangible assets		137,921	134,849
Other interest receivable and similar income		(750)	(176)
Interest payable and similar charges		8,195	6,752
Tax on profit on ordinary activities		162,189	124,132
Accrued (income)/expenses		(42,081)	34,607
<i>Changes in:</i>			
Stocks		331,257	(92,730)
Trade and other debtors		(1,031,093)	797,573
Trade and other creditors		(180,000)	(106,447)
Cash generated from operations		677,993	1,207,516
Interest paid		(8,195)	(6,752)
Interest received		750	176
Tax paid		(109,189)	(205,332)
Net cash from operating activities		<u>561,359</u>	<u>995,608</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(112,286)	(93,128)
Net cash used in investing activities		<u>(112,286)</u>	<u>(93,128)</u>
<b>Cash flows from financing activities</b>			
Dividends paid		(18,208)	(940,000)
Net cash used in financing activities		<u>(18,208)</u>	<u>(940,000)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>430,865</b>	<b>(37,520)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>(56,618)</b>	<b>(19,098)</b>
<b>Cash and cash equivalents at end of year</b>	16	<u><b>374,247</b></u>	<u><b>(56,618)</b></u>

The notes on pages 10 to 19 form part of these financial statements.

# **Metallisation Limited**

## **Notes to the Financial Statements**

**Year ended 31 December 2015**

### **1. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **2. Accounting policies**

#### **(a) Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **(b) Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 28.

#### **(c) Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### **(d) Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **(e) Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

# Metallisation Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

### 2. Accounting policies *(continued)*

#### (f) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### (g) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### (h) Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	Straight line over the life of the lease
Plant & Machinery	-	Over 3 to 10 years
Fixtures & Fittings	-	Over 3 to 10 years

#### (i) Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

#### (j) Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

# Metallisation Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

### 2. Accounting policies *(continued)*

#### (k) Stocks

Stocks are measured at the lower of cost and estimated selling price after making due allowance for obsolete and slow moving items. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### (l) Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### (m) Defined contribution plans

Contributions made by the company in respect of director's and employee's personal pension schemes are charged to the profit and loss account in the period they are paid.

### 3. Turnover

Turnover arises from:

	2015	2014
	£	£
Sale of goods	<u>13,018,238</u>	<u>12,326,884</u>

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

The analysis of turnover by geographical market required by SI 2009/410 Schedule 1 Paragraph 68(5) has not been provided as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the company.

# Metallisation Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

### 4. Other operating income

	2015	2014
	£	£
Commission receivable	29,937	22,295
Other operating income	14,987	13,871
	<u>44,924</u>	<u>36,166</u>

### 5. Operating profit

Operating profit or loss is stated after charging:

	2015	2014
	£	£
Depreciation of tangible assets	137,921	134,849
Foreign exchange differences	(72,729)	(46,980)
Defined contribution plans expense	15,804	10,530
Exceptional item - EBT settlement	–	658,542
Exceptional item - director employment termination costs	<u>45,226</u>	<u>–</u>

### 6. Auditor's remuneration

	2015	2014
	£	£
Fees payable for the audit of the financial statements	<u>12,600</u>	<u>12,505</u>

### 7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2015	2014
	No	No
Production staff	22	21
Administrative staff	22	22
Number of promotion staff	–	2
	<u>44</u>	<u>45</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2015	2014
	£	£
Wages and salaries	1,659,116	1,751,470
Social security costs	191,598	204,342
Other pension costs	15,804	10,530
	<u>1,866,518</u>	<u>1,966,342</u>

# Metallisation Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

### 8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2015	2014
	£	£
Remuneration	397,202	557,617
Compensation for loss of office	30,000	–
	<u>427,202</u>	<u>557,617</u>

Remuneration of the highest paid director in respect of qualifying services:

	2015	2014
	£	£
Aggregate remuneration	<u>78,164</u>	<u>97,552</u>

### 9. Interest payable and similar charges

	2015	2014
	£	£
Interest on banks loans and overdrafts	<u>8,195</u>	<u>6,752</u>

### 10. Tax on profit on ordinary activities

#### Major components of tax expense

	2015	2014
	£	£
<b>Current tax:</b>		
UK current tax expense	290,000	237,000
Adjustments in respect of prior periods	(127,811)	(112,868)
Total current tax	<u>162,189</u>	<u>124,132</u>
<b>Tax on profit on ordinary activities</b>	<u>162,189</u>	<u>124,132</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2014: higher than) the standard rate of corporation tax in the UK of 20% (2014: 21%).

	2015	2014
	£	£
Profit on ordinary activities before taxation	<u>1,454,544</u>	<u>433,088</u>
Profit on ordinary activities by rate of tax	290,909	90,948
Adjustment to tax charge in respect of prior periods	(3,547)	6,032
Effect of expenses not deductible for tax purposes	3,276	4,804
Effect of capital allowances and depreciation	(7,348)	(3,269)
Effect of different UK tax rates on some earnings	3,536	5,419
Rounding on tax charge	(373)	804
R & D claims in respect of prior periods	(124,264)	(118,900)
Exceptional item - tax effect	–	138,294
<b>Tax on profit on ordinary activities</b>	<u>162,189</u>	<u>124,132</u>



# Metallisation Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

### 11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2015 £	2014 £
Dividends on 'A' ordinary equity shares	4,552	235,000
Dividends on 'B' ordinary equity shares	4,552	235,000
Dividends on 'C' ordinary equity shares	9,104	470,000
	<u>18,208</u>	<u>940,000</u>

### 12. Tangible assets

	Short leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2015	80,991	1,317,313	298,127	1,696,431
Additions	-	77,384	34,902	112,286
<b>At 31 December 2015</b>	<u>80,991</u>	<u>1,394,697</u>	<u>333,029</u>	<u>1,808,717</u>
<b>Depreciation</b>				
At 1 January 2015	30,069	698,839	237,396	966,304
Charge for the year	8,099	100,055	29,767	137,921
<b>At 31 December 2015</b>	<u>38,168</u>	<u>798,894</u>	<u>267,163</u>	<u>1,104,225</u>
<b>Carrying amount</b>				
<b>At 31 December 2015</b>	<u>42,823</u>	<u>595,803</u>	<u>65,866</u>	<u>704,492</u>
At 31 December 2014	<u>50,922</u>	<u>618,474</u>	<u>60,731</u>	<u>730,127</u>

### 13. Investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 Jan 2015 and 31 Dec 2015	<u>1</u>
<b>Impairment</b>	
At 1 Jan 2015 and 31 Dec 2015	<u>-</u>
<b>Carrying amount</b>	
<b>At 31 December 2015</b>	<u>1</u>

# Metallisation Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

### 13. Investments *(continued)*

#### Subsidiaries, associates and other investments

The company owns 20% or more of the issued share capital of the following company:  
Surface Coatings Limited

	2015 £	2014 £
Aggregate Capital & Reserves		
Surface Coatings Limited (dormant)	1	1
	2015 £	2014 £
Profit and (loss) for the year		
Surface Coatings Limited (dormant)	-	-

The company has not prepared consolidated accounts on the basis that the subsidiary is dormant and its exclusion from consolidation does not materially affect the position of the group.

### 14. Stocks

	2015 £	2014 £
Work in progress	224,241	307,576
Finished goods and goods for resale	1,367,398	1,615,320
	<u>1,591,639</u>	<u>1,922,896</u>

### 15. Debtors

	2015 £	2014 £
Trade debtors	2,048,664	2,185,505
Amounts owed by group undertakings	1,786,085	518,407
Prepayments and accrued income	126,955	109,889
Other debtors	13,080	129,890
	<u>3,974,784</u>	<u>2,943,691</u>

### 16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2015 £	2014 £
Cash at bank and in hand	659,617	258,439
Bank overdrafts	(285,370)	(315,057)
	<u>374,247</u>	<u>(56,618)</u>

# Metallisation Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

### 17. Creditors: amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts	285,370	315,057
Trade creditors	1,319,260	1,521,762
Amounts owed to group undertakings	1	1
Accruals and deferred income	171,263	213,344
Corporation tax	290,000	237,000
Social security and other taxes	104,251	102,656
Other creditors	20,907	–
	<u>2,191,052</u>	<u>2,389,820</u>

The company has a bank overdraft facility under which advances can be received in respect of unsettled sales invoices. The amount outstanding is secured by a debenture dated 18 September 2014 incorporating a fixed and floating charge over the assets of the company. The company's banking facilities are also secured by an unlimited debenture dated 18 September 2014 incorporating a fixed and floating charge over the assets of the company.

### 18. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2015 £	2014 £
Included in provisions (note 19)	<u>80,000</u>	<u>80,000</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2015 £	2014 £
Accelerated capital allowances	84,000	84,200
Provisions	<u>(4,000)</u>	<u>(4,200)</u>
	<u>80,000</u>	<u>80,000</u>

### 19. Provisions

	Deferred tax (note 18) £
At 1 January 2015 and 31 December 2015	<u>80,000</u>

### 20. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £15,804 (2014: £10,530).

# Metallisation Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2015

### 21. Called up share capital

Issued, called up and fully paid

	2015		2014	
	No	£	No	£
Ordinary Class A shares of £1 each	49,031	49,031	49,031	49,031
Ordinary Class B shares of £1 each	49,031	49,031	49,031	49,031
Ordinary Class C shares of £1 each	98,066	98,066	98,066	98,066
	<u>196,128</u>	<u>196,128</u>	<u>196,128</u>	<u>196,128</u>

### 22. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 23. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
	£	£
Not later than 1 year	147,227	162,442
Later than 1 year and not later than 5 years	434,605	461,470
Later than 5 years	900,000	1,000,000
	<u>1,481,832</u>	<u>1,623,912</u>

### 24. Contingencies

The company has provided guarantees to The Royal Bank of Scotland plc in respect of a loan of £3.5m made to the parent undertaking, Metallisation Holdings Limited. At 31 December 2015 the balance on this loan amounted to £1,750,000 (2014 - £3,325,000).

The company has also provided security in the form of a debenture, incorporating a fixed and floating charge over the assets of the company, in respect of loan notes of £5,458,335 issued by the parent undertaking, Metallisation Holdings Limited, to the former shareholders of the company.

### 25. Directors advances, credits and guarantees

#### Advances to directors

Any interest free loans with directors were paid off during 2014. No loans with directors occurred during year ended 31 December 2015.

During the year dividends were paid to the following directors:

	2015	2014
	£	£
T P Lester	-	470,000
R V C Hill	-	235,000
S A Barker	-	235,000

## **26. Related party transactions**

The company occupies premises owned by Pathfinder Private Pension Scheme, a scheme in which T P Lester, R V C Hill and S A Barker are members and trustees. Rent paid by the company to the scheme for the year ended 31 December 2015 amounted to £100,000 (2014 - £100,000).

The company has taken advantage of the exemption allowed by Financial Reporting Standard 102 Paragraph 33.1A "Related Party Disclosures", not to disclose any transactions with the entities that are included in the consolidated financial statements of the ultimate parent undertaking.

The company has made sales amounting to £nil (2014 - £44,534) to Laser Surfacing Limited, a company in which T P Lester is a director and has an ultimate interest in. During the year, the company has made purchases of £126,341 (2014 - £nil) from Lase Limited, the parent company of Laser Surfacing Limited, in which T P Lester is a director and shareholder. Included in trade creditors as at 31 December 2015 is £35,057 (2014 - £nil) owed to Lase Limited.

## **27. Controlling party**

The company is a wholly owned subsidiary of Metallisation Holdings Ltd.

## **28. Transition to FRS 102**

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.