

**TCG Guardian 2 Limited**  
Directors' report and unaudited  
financial statements

Registered number

05564065

For the

year ended 31 December 2016

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## **Contents**

	<b>Page No</b>
Directors' report	1
Profit and loss account	2
Balance sheet	3
Notes	4-11

## Directors' report

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

### Principal activities and review of the business

The Company's principal activity is that of an intermediate holding company and was dormant throughout the year.

### Results and dividend

The Directors do not recommend the payment of a dividend (2015: £nil).

For the year ended 31 December 2016 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies. Members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

### Directors

The Directors who held office during the year and who were appointed after the year end were as follows:

AC Riley (resigned 6 March 2017)

DS Eldridge

SJR Halliday (appointed 6 March 2017)

Morgan Advanced Materials plc ('Morgan Group') purchases Directors' and Officers' insurance cover on behalf of all Group companies in the UK. The Company has provided to all its Directors, limited indemnities in respect of costs of defending claims against them, and third-party liabilities. These are all qualifying third party indemnity provisions for the purposes of the Companies Act 2006 and are all currently in force.

### Post balance sheet events

In March 2017 the company reduced its share premium by £7.2m. This improved the profit and loss reserve by the same amount.

In July 2017 the Company received dividends of £66.8m from NP Aerospace Limited and paid dividends of £39.6m to TCG Guardian 1 Limited. The Company settled £27.2m it owed to group undertakings. To facilitate the above, the Company obtained a loan of £9.7m from Morgan Advanced Materials plc which was repaid on the same day. At the same time the Company wrote down the value of its investment in NP Aerospace Limited resulting in an impairment loss of £21.2m.

There have been no other material post balance sheet events which would require disclosure or adjustment to these financial statements.

### Political and charitable contributions

During the course of the year, the Company made no charitable donations (2016: £nil) and no political donations (2016: £nil).

### Exemption from preparing a Strategic report

The Directors have not prepared a Strategic report, taking a small companies exemption as permitted by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

By order of the board



**DS Eldridge**

Director

473 Foleshill Road

Coventry

CV6 5AQ

11 September 2017

**Profit and loss account**  
*for the year ended 31 December 2016*

The Company has not traded during the current and preceding financial year, has received no income and incurred no expenses and consequently has made neither a profit nor a loss. The Directors have neither received nor waived any remuneration.

The notes on pages 4 to 11 form part of these financial statements. Movements on reserves are shown in note 6.

**Balance sheet**  
**at 31 December 2016**

	<i>Note</i>	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
<b>Fixed assets</b>			
Investments	3	29,173	29,173
		<u>29,173</u>	<u>29,173</u>
<b>Creditors: amounts falling due within one year</b>	4	(27,244)	(27,244)
<b>Net current liabilities</b>		<u>(27,244)</u>	<u>(27,244)</u>
<b>Total assets less current liabilities</b>		<u>1,929</u>	<u>1,929</u>
<b>Net assets</b>		<u>1,929</u>	<u>1,929</u>
<b>Capital and reserves</b>			
Share premium account	6	7,160	7,160
Profit and loss account	6	(5,231)	(5,231)
<b>Shareholders' funds</b>		<u>1,929</u>	<u>1,929</u>

The Directors:

(a) confirm that the Company was entitled to exemption under subsections (1) and (2) of section 480 of the Companies Act 2006 relating to dormant companies from the requirement to have its financial statements for the financial year ended 31 December 2016 audited;

(b) confirm that members have not required the Company to obtain an audit of its financial statements for that financial year in accordance with section 476 of the Companies Act 2006; and

(c) acknowledge their responsibilities for:

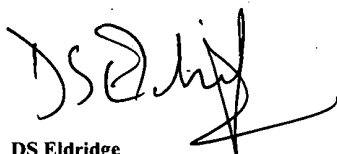
(i) ensuring that the Company keeps adequate accounting records which comply with section 386 of the Companies Act 2006, and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of sections 393 and 394 of the Companies Act 2006, and which otherwise comply with the requirements of that Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 4 to 11 form part of these financial statements.

These financial statements were approved by the board of Directors on 11 September 2017 and were signed on its behalf by:



**DS Eldridge**  
 Director

11 September 2017

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

TCG Guardian 2 Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014 and in accordance with applicable accounting standards in the United Kingdom as prescribed by the Companies Act 2006 and under historical cost accounting rules. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemption has been taken in these financial statements in line with section 35.10 (m):

- Dormant companies – A company within the Companies Act definition of a dormant company may elect to retain its accounting policies for reported assets, liabilities and equity at the date of transition to this FRS until there is any change to those balances or the company undertakes any new transactions.

The Company's ultimate parent undertaking, Morgan Advanced Materials plc includes the Company in its consolidated financial statements. The consolidated financial statements of Morgan Advanced Materials plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Quadrant, 55-57 High Street, Windsor, Berkshire SL4 1LP. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to the period presented in these financial statements.

#### **Measurement convention**

The financial statements are prepared on the historical cost basis.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. The financial statements present information about the Company as an individual undertaking and not about its group.

#### **Investments**

Investments in associates are stated at cost less amounts written off.

**2 Directors' emoluments and employees**

The directors performed no qualifying services for the company in respect of the current or preceding periods and therefore received no emoluments

There are no employees in this Company (2015: nil).

### 3 Investments

	Shares in group undertakings £000
<b>Cost</b>	
At 1 January 2016 and 31 December 2016	<u>29,173</u>
<b>Provisions</b>	
At 1 January 2016 and 31 December 2016	<u>-</u>
<b>Net book value</b>	
At 1 January 2016 and 31 December 2016	<u><u>29,173</u></u>

The companies in which the Company's interest, direct or indirect, at the year end is 20% or more are as follows:

	Registered address	Country of incorporation	Principal activity	Class and percentage of shares held at 2015 and 2014
<b>Subsidiary undertaking - Directly owned</b>				
NP Aerospace Limited	473 Foleshill Road Coventry CV6 5AQ	UK	Manufacturing	100% - Ordinary
<b>Participating indirect interest</b>				
Integrated Survivability Technologies Limited	21 Holborn Viaduct, London EC1A 2DY	UK	Contracting	50% - Ordinary



**4 Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	<b>27,244</b>	<b>27,244</b>

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**5 Called up share capital**

	<b>2016</b>	2015
	<b>£000</b>	£000
<i>Allotted, called up and fully paid</i>		
100 (2015: 100) Ordinary shares of £1 each	-	-
	<hr/>	<hr/>
	-	-
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**6 Reserves**

	Share premium	Profit and loss account
	£000	£000
<b>At 1 January 2016 and 31 December 2016</b>	<b>7,160</b>	<b>(5,231)</b>

**7            Related party disclosures**

The Directors have reviewed transactions with related parties (as defined in FRS 8 Related Party Disclosures) and have concluded that there are no material transactions which require disclosure.

## **8 Ultimate parent company and parent undertaking of larger group of which the company is a member**

The Directors regard Morgan Advanced Materials plc, incorporated in England and Wales, as being the Company's ultimate parent undertaking. The smallest and largest group in which the results of the Company are consolidated is that headed by Morgan Advanced Materials plc. The consolidated accounts of Morgan Advanced Materials plc are available to the public and may be obtained from its registered office situated at Quadrant, 55-57 High Street, Windsor, Berkshire SL4 1LP.

TCG Guardian 1 Limited is the immediate parent undertaking incorporated in England and Wales. Copies of their financial statements may be obtained from their registered office situated at 473 Foleshill Road, Coventry CV6 5AQ.

## **9 Post balance sheet events**

In March 2017 the company reduced its share premium by £7.2m. This improved the profit and loss reserve by the same amount.

In July 2017 the Company received dividends of £66.8m from NP Aerospace Limited and paid dividends of £39.6m to TCG Guardian 1 Limited. The Company settled £27.2m it owed to group undertakings. To facilitate the above, the Company obtained a loan of £9.7m from Morgan Advanced Materials plc which was repaid on the same day. At the same time the Company wrote down the value of its investment in NP Aerospace Limited resulting in an impairment loss of £21.2m.