Appian Fasteners Limited

Directors' report and
financial statements

Year ended 31 December 2016

Registered number: 06246685

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Registered number: N.I. 06246685

Appian Fasteners Limited

Directors' report and financial statements

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Appian Fasteners Limited

Directors and other information

Directors	P. Nevin P. Curran D. Broderick
Secretary	P. Curran
Registered office	Tricor Suite 50 Mark Lane London England EC3R 7QR
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Solicitors	Wilson Nesbitt Citylink Business Park Albert Street Belfast BT12 4HB
Registered number	NI 06246685

Appian Fasteners Limited

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2016.

Principal activities, business review and future developments

The principal activity of the company is the distribution of industrial fasteners.

Principal risks and uncertainties

The risks and uncertainties faced by the business are those typical of the industrial fasteners sector. These influences include the slowdown in the economy, the inflation rate, the level of competition investment and activity and new entrants to the market in which we operate. These risks are mitigated by the company's strong balance sheet, long standing reputation and tradition within the sector and the relationship both financial and commercial with a related Group company, Jones Oil Limited. Thus the directors consider the company's financial risk profile to be low.

Dividend

The directors do not recommend the payment of a dividend in the current year *(2015: Stg£Nil).*

Directors

In accordance with the Articles of Association, the directors are not required to retire by rotation.

The directors and secretary, who held office at 31 December 2016 are outlined on page 1.

Post balance sheet events

No significant events occurred since the balance sheet date which would require disclosure in or amendment of these financial statements.

Political donations

There were no political donations made during the year.

Disclosure of information to auditor

The company has availed of the exemption under the Companies Act 2006 ("Strategic Report and Directors' Report") Regulations 2013 from implementing the Strategic Report requirements as the company qualifies as a small company for company law purposes.

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have 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.

Directors' report *(continued)*

Auditor

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

On behalf of the board

Paul Curran
Director

29 May 2017

Registered number: N.I. 06246685

Appian Fasteners Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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.

On behalf of the board

Paul Curran
Director

KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Appian Fasteners Limited

We have audited the financial statements of Appian Fasteners Limited for the year ended 31 December 2016 which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

3 We have nothing to report in respect of matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006 we are required 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.

We have nothing to report in respect of the above responsibilities.

KPMG, an Irish partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

KPMG

Independent auditor's report to the members of Appian Fasteners Limited
(continued)

Basis of our report, responsibilities and restrictions on use

As explained more fully in the statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) 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 annual 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.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.

Colin O'Brien **(Senior Statutory Auditor)** — 16 June 2017
for and on behalf of KPMG
Statutory Auditor
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Registered number: N.I. 06246685

Appian Fasteners Limited

Profit and loss account and other comprehensive income

for the year ended 31 December 2016

	Note	**2016** **Stg£**	2015 Stg£
Turnover	*2*	**2,419,745**	2,345,231
Cost of sales		**(1,922,344)**	(1,885,286)
Gross profit		**497,401**	459,945
Administrative expenses		**(411,658)**	(390,563)
Operating profit	*3*	**85,743**	69,382
Tax on profit on ordinary activities	*5*	**-**	-
Profit on ordinary activities after taxation		**85,743**	69,382
Other comprehensive income			
Income tax on other comprehensive income		-	-
Total comprehensive income for the year		**85,743**	69,382

On behalf of the board

Paul Curran
Director

Registered number: N.I. 06246685

Appian Fasteners Limited

Balance sheet
as at 31 December 2016

	Note	**2016 Stg£**	2015 Stg£
Fixed assets			
Tangible fixed assets	*6*	**5,668**	3,873
Current assets			
Stock	*7*	**445,903**	429,767
Debtors	*8*	**565,600**	603,284
Cash at bank and in hand		**209,054**	103,211
		1,220,557	1,136,262
Creditors: amounts falling due within one year	*10*	**(192,256)**	(191,908)
Net current assets		**1,028,301**	944,354
Total assets less current liabilities		**1,033,969**	948,227
Capital and reserves			
Called up share capital	*12*	**100,094**	100,094
Share premium		**1,056,410**	1,056,410
Profit and loss account		**(122,535)**	(208,277)
Shareholders' funds		**1,033,969**	948,227

On behalf of the board

Paul Curran
Director

Statement of changes in equity
for the year ended 31 December 2016

	Share capital Stg£	Share premium Stg£	Retained earnings Stg£	Total Stg£
At 1 January 2015	100,094	1,056,410	(277,659)	878,845
Total comprehensive income for the year				
Profit for the year	-	-	69,382	69,382
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**69,382**	**69,382**
At 31 December 2015	**100,094**	**1,056,410**	**(208,277)**	**948,227**
Total comprehensive income for the year				
Profit for the year	-	-	85,743	85,743
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**85,743**	**85,743**
Balance at 31 December 2016	**100,094**	**1,056,410**	**(122,535)**	**1,033,969**

The accompanying notes form an integral part of the financial statements.

Notes
forming part of the financial statements

1 Accounting policies

Appian Fasteners 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. The presentation currency of these financial statements is Sterling.

The company's ultimate holding undertaking, DPSquared Limited includes the company in its consolidated financial statements. DPSquared Limited is a company incorporated in the with a registered office at 15 Clanwilliam Terrace, Dublin 2, Ireland. The consolidated financial statements of DPSquared Limited are available to the public and may be obtained from the Companies Registration Office, Parnell House, 14 Parnell Square, Dublin 1. 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 disclosure:

- Key Management Personnel compensation has not been included a second time
- No separate holding undertaking Cash Flow Statement with related notes is included

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

Basic financial instruments

Trade and other debtors/creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets *(continued)*

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The entity assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- equipment — 5 years
- land and buildings (including fixtures and fittings) — 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Provision is made for obsolete, slow moving or defective items, where appropriate.

Employee benefits

Defined contribution plans and other long term employee benefits
A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and has 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.

Notes *(continued)*

1 Accounting policies *(continued)*

Employee benefits *(continued)*

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.

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Expenses

Operating lease
Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and interest payable
Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currency

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Notes *(continued)*

1 Accounting policies *(continued)*

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaking in Northern Ireland.

3 Profit on ordinary activities before taxation

	2016	2015
	Stg£	Stg£
Operating profit is stated after charging:		
Depreciation of tangible assets	**(2,165)**	(3,174)
Operating lease rentals	**(5,369)**	(5,369)
Directors' remuneration	**-**	-
Auditor's remuneration	**-**	-

The auditor remuneration is borne by a related company.

4 Employees

The average number of employees employed by the company (including executive directors) during the year, analysed by category, was as follows:

	2016	2015
Selling and distribution	**8**	7

The aggregated payroll costs of these persons were as follows:

	2016	2015
	Stg£	Stg£
Wages and salaries	**191,197**	186,866
Social welfare	**17,600**	18,173
Retirement benefit obligation	**9,693**	9,693
	218,490	214,732

Notes *(continued)*

5 Tax on profit on ordinary activities	**2016 Stg£**	2015 Stg£
(a) Analysis of charge in year		
Current tax		
Corporation tax on loss for the year	-	-
Adjustment in respect of prior periods	-	-
Total current tax	-	-
Deferred tax		
Timing differences (note 11)	-	-
Total deferred tax charge	-	-
	-	-

(b) Factors affecting the tax charge for the year	**2016 Stg£**	2015 Stg£
Profit for financial year	**85,743**	69,382
Tax at standard rate of 20.00% *(2015: 20.25%)*	**17,148**	14,050
Effects of:		
Expenses not deductible for tax purposes	**20**	10
Movement in unrecognised deferred tax asset	**(17,168)**	(14,060)
Total tax charge	**-**	-

Notes *(continued)*

6 Tangible assets

	Land and Buildings Stg£	Equipment Stg£	Total Stg£
Cost			
At 31 December 2015	249,168	608,896	858,064
Additions	-	3,963	3,963
At 31 December 2016	**249,168**	**612,859**	**862,027**
Depreciation			
At 31 December 2015	248,615	605,576	854,191
Charge for the year	131	2,037	2,168
At 31 December 2016	**248,746**	**607,613**	**856,359**
Net book value			
At 31 December 2016	**422**	**5,246**	**5,668**
At 31 December 2015	553	3,320	3,873

7 Stocks

	2016 Stg£	2015 Stg£
Goods held for resale	**445,903**	429,767

Goods held for resale are stated at the lower of cost and net resalable value.

The replacement cost of stocks did not differ significantly from the amounts shown above. Stocks are stated net of a provision for obsolescence of Stg£299,608 *(2015: Stg£304,310)*. Consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to Stg£1,922,344 *(2015: Stg£1,885,286)*.

Notes *(continued)*

8 Debtors

	2016	2015
	Stg£	Stg£
Trade debtors	**225,596**	272,679
Prepayments	**20,824**	17,912
Corporation tax	**-**	-
VAT	**21,475**	48,944
Amounts due from group undertakings (note 14)	**297,705**	263,750
	565,600	603,284

Trade debtors are stated net of a provision for impairment of Stg£16,681 *(2015: Stg£12,783).*

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

9 Cash and cash equivalents

	2016	2015
	Stg£	Stg£
Cash at bank and in hand	**209,054**	103,211

10 Creditors: amounts falling due within one year

	2016	2015
	Stg£	Stg£
Trade creditors	**187,380**	185,017
Accruals	**1,767**	1,703
PAYE/PRSI	**3,109**	5,188
Corporation tax	**-**	-
	192,256	191,908

11 Deferred taxation

	2016	2015
	Stg£	Stg£
Balance at start of year	**-**	-
Charge for year (note 4)	**-**	-
Balance at end of year	**-**	-

Notes *(continued)*

12 Share capital - all equity

	2016 Stg£000	2015 Stg£000
Authorised		
500,000 ordinary shares of Stg£1 each	**500,000**	500,000
46,875 ordinary shares of Stg£0.01 each	**469**	469
	500,469	500,469
Allotted, called up and fully paid		
100,000 ordinary shares of Stg£1 each	**100,000**	100,000
9,375 ordinary shares of Stg£0.01 each	**94**	94
	100,094	100,094

13 Group membership

The company's immediate and ultimate parent undertaking is DPSquared Limited, a company incorporated in the Republic of Ireland. P. Nevin, P. Curran and D. Broderick are directors of DPSquared Limited.

The largest group in which the results of the company are consolidated is that headed by DPSquared Limited and the consolidated financial statements are available to the public at the Companies Registration Office, Parnell House, 14 Parnell Square, Dublin 1.

14 Related party transactions

The company has availed of the exemptions under Section 33.1A of FRS102 *Related Party Disclosures* not to provide details of related party transactions with fellow group companies as it is a wholly owned subsidiary of DPSquared Limited which prepares consolidated financial statements which include the results of the company.

15 Approval of financial statements

The financial statements were approved by the directors on 29 May 2017.