

**REGISTERED NUMBER: 01986321 (England and Wales)**

**Unaudited Financial Statements For The Year Ended 31 December 2016**

**for**

**Truflow Hydraulic Components Limited**

**Contents of the Financial Statements  
For The Year Ended 31 December 2016**

|                                          | <b>Page</b> |
|------------------------------------------|-------------|
| <b>Company Information</b>               | <b>1</b>    |
| <b>Balance Sheet</b>                     | <b>2</b>    |
| <b>Notes to the Financial Statements</b> | <b>4</b>    |

**Truflo Hydraulic Components Limited**

**Company Information  
For The Year Ended 31 December 2016**

**DIRECTORS:**

N A Pincher  
D M Carr  
W T Jarrell  
J A Worobel

**REGISTERED OFFICE:**

Squire Patton Boggs (UK) Llp,  
Rutland House,  
148 Edmund Street,  
Birmingham  
West Midlands  
B3 2JR

**REGISTERED NUMBER:**

01986321 (England and Wales)

**ACCOUNTANTS:**

Howell Dunn & Co Limited  
60 Lyde Green  
Halesowen  
West Midlands  
B63 2PQ

**Truflow Hydraulic Components Limited (Registered number: 01986321)**

**Balance Sheet  
31 December 2016**

|                                              | Notes | 2016<br>£        | £                | 2015<br>£        | £              |
|----------------------------------------------|-------|------------------|------------------|------------------|----------------|
| <b>FIXED ASSETS</b>                          |       |                  |                  |                  |                |
| Tangible assets                              | 4     |                  | 20,312           |                  | 61,296         |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |                  |                |
| Stocks                                       | 5     | 942,888          |                  | 699,977          |                |
| Debtors                                      | 6     | 466,149          |                  | 448,006          |                |
| Cash at bank                                 |       | 38,816           |                  | -                |                |
|                                              |       | <u>1,447,853</u> |                  | <u>1,147,983</u> |                |
| <b>CREDITORS</b>                             |       |                  |                  |                  |                |
| Amounts falling due within one year          | 7     | <u>440,405</u>   |                  | <u>446,435</u>   |                |
| <b>NET CURRENT ASSETS</b>                    |       |                  | <u>1,007,448</u> |                  | <u>701,548</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                  | 1,027,760        |                  | 762,844        |
| <b>CREDITORS</b>                             |       |                  |                  |                  |                |
| Amounts falling due after more than one year | 8     |                  | -                |                  | (11,058)       |
| <b>PROVISIONS FOR LIABILITIES</b>            | 11    |                  | <u>(2,862)</u>   |                  | <u>(6,499)</u> |
| <b>NET ASSETS</b>                            |       |                  | <u>1,024,898</u> |                  | <u>745,287</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                  |                  |                |
| Called up share capital                      | 12    |                  | 1,500            |                  | 1,500          |
| Retained earnings                            |       |                  | <u>1,023,398</u> |                  | <u>743,787</u> |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                  | <u>1,024,898</u> |                  | <u>745,287</u> |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

**Truflow Hydraulic Components Limited (Registered number: 01986321)**

**Balance Sheet - continued**  
**31 December 2016**

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 20 September 2017 and were signed on its behalf by:

D M Carr - Director

The notes form part of these financial statements

**Notes to the Financial Statements  
For The Year Ended 31 December 2016**

**1. STATUTORY INFORMATION**

Truflow Hydraulic Components Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

These financial statements for the year ended 31 December 2016 are the first financial statements prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

**Significant judgements and estimates**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the cost incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

|                       |                           |
|-----------------------|---------------------------|
| Plant and machinery   | - 15% on reducing balance |
| Fixtures and fittings | - 15% on reducing balance |
| Motor vehicles        | - 25% on reducing balance |
| Office equipment      | - 15% on reducing balance |

Tangible fixed assets are stated under the cost model at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'operating profit' in the income statement.

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2016**

**2. ACCOUNTING POLICIES - continued**

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Where goods have been supplied subject to reservation of title, the commercial basis of accounting has been adopted.

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula.

Net realisable value is based on estimated selling price less any further costs expected to be incurred for completion and sale. The impairment loss is recognised in the income statement.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet 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**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

The apportionment between the finance charge and the reduction of the outstanding liability uses the effective interest method.

The related obligations, net of future finance charges, are included in creditors.

**Pension costs and other post-retirement benefits**

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2016**

**2. ACCOUNTING POLICIES - continued**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plans are held separately from the company in independently administered funds.

**Employee benefits**

When employees have rendered services to the company, short term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

**Debtors and creditors receivable/ payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of comprehensive income in other administrative expenses.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks.

**Impairment**

Assets not valued at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income.

**Provisions**

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related parties. Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 8 (2015 - 10) .

Notes to the Financial Statements - continued  
For The Year Ended 31 December 2016

4. TANGIBLE FIXED ASSETS

|                        | Plant and<br>machinery<br>£ | Fixtures<br>and<br>fittings<br>£ | Motor<br>vehicles<br>£ | Office<br>equipment<br>£ | Totals<br>£    |
|------------------------|-----------------------------|----------------------------------|------------------------|--------------------------|----------------|
| <b>COST</b>            |                             |                                  |                        |                          |                |
| At 1 January 2016      | 31,130                      | 38,344                           | 102,019                | 32,905                   | 204,398        |
| Disposals              | -                           | -                                | (89,744)               | -                        | (89,744)       |
| At 31 December 2016    | <u>31,130</u>               | <u>38,344</u>                    | <u>12,275</u>          | <u>32,905</u>            | <u>114,654</u> |
| <b>DEPRECIATION</b>    |                             |                                  |                        |                          |                |
| At 1 January 2016      | 21,230                      | 33,236                           | 60,053                 | 28,583                   | 143,102        |
| Charge for year        | 1,485                       | 766                              | 1,293                  | 651                      | 4,195          |
| Eliminated on disposal | -                           | -                                | (52,955)               | -                        | (52,955)       |
| At 31 December 2016    | <u>22,715</u>               | <u>34,002</u>                    | <u>8,391</u>           | <u>29,234</u>            | <u>94,342</u>  |
| <b>NET BOOK VALUE</b>  |                             |                                  |                        |                          |                |
| At 31 December 2016    | <u>8,415</u>                | <u>4,342</u>                     | <u>3,884</u>           | <u>3,671</u>             | <u>20,312</u>  |
| At 31 December 2015    | <u>9,900</u>                | <u>5,108</u>                     | <u>41,966</u>          | <u>4,322</u>             | <u>61,296</u>  |

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

|                        | Motor<br>vehicles<br>£ |
|------------------------|------------------------|
| <b>COST</b>            |                        |
| At 1 January 2016      | 57,237                 |
| Disposals              | (57,237)               |
| At 31 December 2016    | <u>-</u>               |
| <b>DEPRECIATION</b>    |                        |
| At 1 January 2016      | 25,075                 |
| Eliminated on disposal | (25,075)               |
| At 31 December 2016    | <u>-</u>               |
| <b>NET BOOK VALUE</b>  |                        |
| At 31 December 2016    | <u>-</u>               |
| At 31 December 2015    | <u>32,162</u>          |

5. STOCKS

|       | 2016<br>£      | 2015<br>£      |
|-------|----------------|----------------|
| Stock | <u>942,888</u> | <u>699,977</u> |

Notes to the Financial Statements - continued  
For The Year Ended 31 December 2016

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                             | 2016           | 2015           |
|-----------------------------|----------------|----------------|
|                             | £              | £              |
| Trade debtors               | 458,089        | 443,451        |
| Directors' current accounts | 3,668          | -              |
| Prepayments                 | 4,392          | 4,555          |
|                             | <u>466,149</u> | <u>448,006</u> |

Trade debtors includes £Nil (2015 -£326,565) in respect of debts assigned to the factoring company.

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                      | 2016           | 2015           |
|--------------------------------------|----------------|----------------|
|                                      | £              | £              |
| Bank loans and overdrafts            | -              | 212,212        |
| Hire purchase contracts (see note 9) | -              | 9,373          |
| Trade creditors                      | 161,582        | 74,315         |
| Amounts owed to group undertakings   | 168,297        | -              |
| Corporation tax                      | 70,344         | 111,245        |
| Social security and other taxes      | 31,214         | 27,525         |
| Directors' current accounts          | -              | 84             |
| Accrued expenses                     | 8,968          | 11,681         |
|                                      | <u>440,405</u> | <u>446,435</u> |

Trade creditors include amounts for goods supplied which are subject to reservation of title. Therefore, some amounts may be secured and rank above creditors with a floating charge over the assets of the company.

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                      | 2016     | 2015          |
|--------------------------------------|----------|---------------|
|                                      | £        | £             |
| Hire purchase contracts (see note 9) | <u>-</u> | <u>11,058</u> |

Notes to the Financial Statements - continued  
For The Year Ended 31 December 2016

9. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

|                              | Hire purchase contracts          |               |
|------------------------------|----------------------------------|---------------|
|                              | 2016                             | 2015          |
|                              | £                                | £             |
| Gross obligations repayable: |                                  |               |
| Within one year              | -                                | 10,323        |
| Between one and five years   | -                                | 11,580        |
|                              | <u>-</u>                         | <u>21,903</u> |
| Finance charges repayable:   |                                  |               |
| Within one year              | -                                | 950           |
| Between one and five years   | -                                | 522           |
|                              | <u>-</u>                         | <u>1,472</u>  |
| Net obligations repayable:   |                                  |               |
| Within one year              | -                                | 9,373         |
| Between one and five years   | -                                | 11,058        |
|                              | <u>-</u>                         | <u>20,431</u> |
|                              | Non-cancellable operating leases |               |
|                              | 2016                             | 2015          |
|                              | £                                | £             |
| Within one year              | 39,310                           | 810           |
| Between one and five years   | 19,317                           | 877           |
|                              | <u>58,627</u>                    | <u>1,687</u>  |

10. SECURED DEBTS

The following secured debts are included within creditors:

|                         | 2016     | 2015           |
|-------------------------|----------|----------------|
|                         | £        | £              |
| Bank overdrafts         | -        | 212,212        |
| Hire purchase contracts | -        | 20,431         |
|                         | <u>-</u> | <u>232,643</u> |

Bank borrowing is secured by a debenture in the bank's standard form and an assignment of a life policy on the life of Mr N A Pincher.

The factoring account included within bank overdrafts is secured on trade debtors.

Hire purchase contracts are secured on the asset to which they relate.

Notes to the Financial Statements - continued  
For The Year Ended 31 December 2016

11. PROVISIONS FOR LIABILITIES

|                                                         | 2016<br>£    | 2015<br>£      |
|---------------------------------------------------------|--------------|----------------|
| Deferred tax                                            |              |                |
| Accelerated capital allowances                          | <u>2,862</u> | <u>6,499</u>   |
|                                                         |              | Deferred tax   |
|                                                         |              | £              |
| Balance at 1 January 2016                               |              | 6,499          |
| Credit to Statement of Comprehensive Income during year |              | <u>(3,637)</u> |
| Balance at 31 December 2016                             |              | <u>2,862</u>   |

12. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: |            |                | 2016         | 2015         |
|----------------------------------|------------|----------------|--------------|--------------|
| Number:                          | Class:     | Nominal value: | £            | £            |
| 1,000                            | Ordinary A | £1             | 1,000        | 1,000        |
| 500                              | Ordinary B | £1             | <u>500</u>   | <u>500</u>   |
|                                  |            |                | <u>1,500</u> | <u>1,500</u> |

13. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2016 and 31 December 2015:

|                                      | 2016<br>£    | 2015<br>£ |
|--------------------------------------|--------------|-----------|
| <b>N A Pincher</b>                   |              |           |
| Balance outstanding at start of year | -            | -         |
| Amounts advanced                     | 3,668        | -         |
| Amounts repaid                       | -            | -         |
| Amounts written off                  | -            | -         |
| Amounts waived                       | -            | -         |
| Balance outstanding at end of year   | <u>3,668</u> | <u>-</u>  |

14. ULTIMATE CONTROLLING PARTY

The controlling party is Brennan Industries of Europe Limited.

The ultimate controlling party is Brennan Industries Inc.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.