

Company Number
02027199

Metaskil Limited
FINANCIAL STATEMENTS
for the year ended 31 December 2015

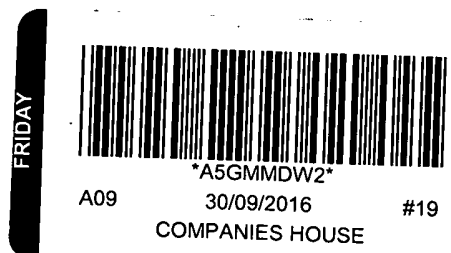


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Officers and Professional Advisors

Directors

Mr M Williams
Mr P Hunsdon

Secretary

Mr E Walker

Registered Office

1 Barnes Wallis Road
Segensworth East
Fareham
Hampshire
PO15 5UA

Bankers

National Westminster Bank Plc
13 Market Place
Reading
RG1 2EG

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Solicitor

Dorsey & Whitney
199 Bishopsgate
London
EC2M 3UT

Strategic Report

Business Review

The principal activity of the Company continues to be the provision of a range of management consulting and staffing services to third party clients and other companies within the Watchstone Group Plc group.

Watchstone Group's much publicised issues from mid-2014 onwards led to a fall in new customers gained and affected retention of existing customers. Watchstone Group plc sold its Professional Services Division (PSD) in May 2015, upon which the Company no longer made sales to these former group companies. These have directly led to a fall in revenue from £3.6 million in 2014 to £2.4 million in 2015.

As a result of the lost business above, the Company reviewed its operations, and re-sized accordingly, as a result the administrative expenses were reduced from £378,000 in 2014 to £60,000 in 2015. The overall impact of the reduced revenue and overheads was that the operating profit reduced from £47,000 in 2014 to £6,000 in 2015.

Key performance indicators

Throughout 2015 the Board used a number of measures to determine the performance of the Company. The principal such key performance indicators are:

• Revenue:	£2.4 million	(2014: £3.6 million)
• Gross profit %	2.8%	(2014: 11.8%)
• Adjusted EBITDA (note 5):	£6,000	(2014: £47,000)

Principal risks and uncertainties

The Company is exposed to a number of risks and uncertainties which could have a material impact on its long term performance. The Directors have identified those which they regard as being the principal risks and these are set out below.

Key personnel and resources

The success of the Company depends to a large extent upon its executive management team and its ability to recruit and retain high calibre individuals at all relevant levels within the organisation. The Company will continue to seek to mitigate this resource risk by investing in and developing staff training programmes, competitive reward and compensation packages, incentive schemes and succession planning.

Liquidity risk

The Company expects to manage liquidity within its cash capacity. The Company actively forecasts, manages and reports its working capital requirements, including conducting sensitivity analyses on a regular basis to ensure that it has sufficient funds for its operations.

Market conditions

Market conditions, including general economic conditions and their effect on exchange rates, interest rates and inflation rates, may impact the ultimate value of the Company regardless of its operating performance. The Company also faces competition from other organisations, some of which may have greater resources than the Company, or be more established in a particular territory or product area. The Company's strategy is to target a balance of markets, offering a range of tailored or specialised products and services.

By order of the Board



Mark P Williams

Director

30 September 2016

Directors' Report

The Directors present their report and the audited Financial Statements for the year ended 31 December 2015.

Change of name

The Company changed its name to Metaskil Limited from Quindell Resourcing Limited on 7 September 2015.

Dividends

The Directors do not recommend the payment of a final dividend (2014: £nil).

Directors and Company Secretary

The names of the current Directors are shown on page 3. The Directors are as follows:

Mr L Moorse (resigned 29 May 2015)
Mr M Sargeant (appointed 29 May 2015, resigned 18 March 2016)
Mr M Williams (appointed 29 May 2015)
Mr P Hunsdon (appointed 18 July 2016)

Mr E Walker served as Company Secretary throughout the year.

Political donations

The Company did not make any political donations in the period (2014: £nil).

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company is also part of the Watchstone Group of companies (the "Group"), and as such has a degree of reliance on the Group for its working capital. The Group has available to it considerable financial resources, and a robust balance sheet.

The Directors have reviewed the working capital requirements of the company and no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern have been identified. Consequently, as a result of the Company's own position, being combined with that of the Group, the directors continue to adopt the going concern basis of accounting in preparing the Financial Statements.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and 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 IFRSs as adopted by the EU 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 of its profit or loss for that period. In preparing the 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 they have been prepared in accordance with IFRSs as adopted by the EU, 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.

Auditor

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

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that:

- a) so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b) each Director has taken all the 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 information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By order of the Board

A handwritten signature in black ink, appearing to read 'Mark Williams', with a long horizontal flourish extending to the right.

Mark P Williams
Director
30 September 2016

Independent Auditor's Report to the members of Metaskil Limited

We have audited the financial statements of Metaskil Limited for the year ended 31 December 2015 set out on pages 8 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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

A description of the scope of an audit of Financial Statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

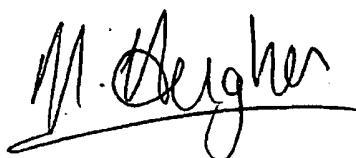
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



Neil Hughes (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
30 September 2016

Financial Statements

Statement of Comprehensive Income

for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Revenue		2,380	3,609
Cost of sales		(2,314)	(3,184)
Gross profit		66	425
Administrative expenses			
- Normal		(60)	(378)
Total administrative expenses		(60)	(378)
Operating profit	6	6	47
Profit before taxation		6	47
Taxation	8	-	(9)
Profit for the year from continuing operations		6	38
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Comprehensive income for the year		6	38

The notes on pages 11 to 19 form an integral part of these Financial Statements.

Statement of Financial Position

as at 31 December 2015

	Note	2015 £'000	2014 £'000
Non-current assets			
Property, plant and equipment	9	1	-
		1	-
Current assets			
Trade and other receivables	10	1,323	3,596
Cash	11	49	70
		1,372	3,666
Total assets		1,373	3,666
Current liabilities			
Trade and other payables	12	(1,330)	(3,629)
Total liabilities		(1,330)	(3,629)
Net assets		43	37
Equity			
Share capital	13	52	52
Share premium account	14	49	49
Retained earnings		(58)	(64)
Total equity		43	37

The notes on pages 11 to 19 form an integral part of these Financial Statements.

The Financial Statements of Metaskil Limited, registered number 02027199, on pages 8 to 19 were approved and authorised for issue by the Directors on 30 September 2016 and signed on its behalf by:



Mark P Williams
Director

Statement of Changes in Equity

for the year ended 31 December 2015

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
At 1 January 2015	52	49	(64)	37
Profit for the year	-	-	6	6
At 31 December 2015	52	49	(58)	43
At 1 January 2014 (unaudited)	52	49	(102)	(1)
Profit for the year	-	-	38	38
At 31 December 2014	52	49	(64)	37

The notes on pages 11 to 19 form an integral part of these Financial Statements.

Cash Flow Statement

for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Cash flows from operating activities			
Cash (used by)/generated from operations before tax	16	(20)	32
Corporation tax paid		-	(10)
Cash (used by)/generated from operating activities		(20)	22
Cash flow from investing activities			
Purchase of property, plant and equipment		(1)	-
Net Cash used in investing activities		(1)	-
Net (decrease)/increase in cash and cash equivalents		(21)	22
Cash and cash equivalents at the beginning of the year		70	48
Cash and cash equivalents at the end of the year	11	49	70

The notes on pages 11 to 19 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. General information

Metaskil Limited is a company registered and domiciled in the United Kingdom. The Financial Statements are presented in pounds sterling, to the nearest thousand, as this is the currency of the primary economic environment in which the Company operates. The address of the registered office is 1 Barnes Wallis Road, Segensworth East, Fareham, Hampshire, PO15 5UA. The nature of the Company's operations and its principal activities are set out on page 4.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented.

Basis of preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations adopted by the European Union ("EU"). The Financial Statements have been prepared under the historical cost convention. A summary of the significant Company accounting policies, which have been applied consistently across the Company, is set out below. The Company has reviewed its accounting policies in accordance with IAS 8 and determined that they are appropriate for the Company and have been consistently applied.

Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company is also part of the Watchstone Group of companies (the "Group"), and as such has a degree of reliance on the Group for its working capital. The Group has available to it considerable financial resources, and a robust balance sheet.

The Directors have reviewed the working capital requirements of the company and no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern have been identified. Consequently, as a result of the Company's own position, being combined with that of the Group, the directors continue to adopt the going concern basis of accounting in preparing the Financial Statements.

Revenue recognition

The Company is in the Hubio division of Watchstone Group Plc and receives income through consulting fees and other success based one-time fees.

Where the commercial substance of such a combination is that the individual components operate independently of each other and fair values can be attributed to each of the components, each are then recognised in accordance with their respective policies described below. Where it is not possible to attribute reliable fair values to two or more components, these are viewed as a combination and revenue is recognised on the combined revenue streams as the combined service is delivered using the percentage of completion method. Provisions for estimated losses on uncompleted contracts are recorded in the year in which such losses become probable, based on contract cost estimates.

The revenue recognition policies for separately identifiable revenue streams are as follows:

Other success based one-time fees

Revenues are recognised when pervasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, the collection of the fee is reasonably assured, no significant obligations remain and customer acceptance, when applicable, has been obtained.

Consulting fees

Revenues from contracts are recognised on a time and material basis, based on time supplied to the end customer at rates agreed.

Marketing expenses

Marketing expenses are expensed in the period in which they are incurred.

Operating profit

Operating profit is profit stated before finance income, finance expense and tax.

Retirement benefit costs

The Company provides pension arrangements to certain of its full time UK employees through a money purchase (defined contribution) scheme. Contributions and pension costs are based on pensionable salary and are charged as an expense as they fall due. The Company has no further payment obligations once the contributions have been paid. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those

arising in a defined contribution retirement benefit scheme.

Foreign currency translation

The functional and presentational currency of the Company is pounds sterling. Transactions denominated in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position date, with any gains or losses being included in net profit or loss for the year.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated to write off the cost less estimated residual values over their estimated useful lives as follows:

- Plant and equipment: 20%-33% per annum reducing balance

Residual value is based on the estimated amount that would currently be obtained from disposal.

Estimated residual values and useful economic lives are reviewed annually and adjusted where necessary.

Leases

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

Trade receivables

Trade receivables are held at amortised cost less any impairment provisions and this equates to their recoverable value. Movements in the impairment provision relating to credit risk are recognised within administrative expenses as bad debt expenses.

Trade payables

Trade payables do not carry any interest and are recognised initially at their fair value. Subsequent to initial recognition they are measured at amortised cost.

Cash and cash equivalents

Cash in the Statement of Financial Position comprises cash at banks and in hand. For the purpose of the Cash

Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Taxation including deferred tax

The tax expense represents the sum of current tax and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised in equity in which case it is recognised in equity. The current tax is based on taxable profit for the year calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Share capital

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. Adoption of new and revised Standards

Standards, amendment and interpretations affecting the Financial Statements adopted by the Company

There are no new standards, amendments or interpretations adopted by the Company that have a material impact on the Financial Statements for this year.

New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these Financial Statements. None of these are expected to have a significant effect on the Financial Statements of the Company.

4. Critical accounting judgements and key sources of estimation uncertainty

Management do not consider that there are any significant accounting judgements or sources of uncertainty.

5. Key performance indicators

	Note	2015 £'000	2014 £'000
Revenue	2	2,380	3,609
Adjusted EBITDA:			
Profit before taxation		6	47
Depreciation	9	-	-
Adjusted EBITDA		6	47
Adjusted profit before taxation			
Profit before taxation		6	47
Adjusted profit before taxation		6	47

6. Operating profit

The operating profit for the year is stated after charging:

	2015 £'000	2014 £'000
Operating lease rentals	4	16
Net foreign exchange losses	4	2
Staff costs (note 7)	216	472

Audit fees of £6,000 (2014: £4,000) were borne by its parent, Watchstone Group Plc.

7. Employee and staff costs

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

	2015 Number	2014 Number
Directors	2	2
Back office management and administration	3	6
	5	8

The remuneration of the Directors was as follows:

	2015 £'000	2014 £'000
Emoluments	-	30

The emoluments of the highest paid Director were £nil (2014: £30,000). No retirement benefits were accruing under any schemes in respect of any of the directors (2014: nil). No Directors received any remuneration in connection with contributions to pension. The cost of certain of the directors was borne by other group companies in both 2015 and 2014. No remuneration is disclosed as the directors' services to the company are insignificant compared to their services to other group companies.

Total employee costs were as follows:

	2015 £'000	2014 £'000
Wages and salaries	185	412
Social security costs	22	43
Pension costs	9	17
	216	472

8. Taxation

	2015 £'000	2014 £'000
The taxation charge/(credit) comprises:		
Current tax:		
- Current year	-	10
Total current tax	-	10
Deferred tax:		
- Current year	-	(1)
Total deferred tax	-	(1)
Taxation	-	9

Income tax for the UK is calculated at the standard rate of UK corporation tax of 20.25% (2014: 21.5%) on the estimated assessable profit for the year. The total charge for the year can be reconciled to the accounting profit as follows:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	6	47
Tax at 20.25% (2014: 21.5%) thereon	1	10
Effect of:		
Unrecognised deferred tax on losses	(1)	-
Adjustments to tax charge in respect of prior periods	-	(1)
Total tax charge for the year	-	9

Deferred tax assets are recognised for tax losses available for carrying forward to the extent that the realisation of the related benefit through future taxable profits is probable. The Company has recognised deferred tax assets of £nil (2014: £nil) in respect of losses amounting to £nil (2014: £nil) that can be carried forward against future taxable income.

Factors affecting future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK Corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). This will reduce the company's future current tax charge accordingly.

9. Property, plant and equipment

	Plant and equipment £'000	Total £'000
Cost		
At 1 January 2014 (unaudited) and 1 January 2015	22	22
Additions for current year	1	1
At 31 December 2015	23	23
Depreciation		
At 1 January 2014 (unaudited) and 1 January 2015	22	22
At 31 December 2015	22	22
Net book value		
31 December 2015	1	1
31 December 2014	-	-

There were no material commitments for the acquisition of property, plant or equipment at either 31 December 2015 or 31 December 2014.

10. Trade and other receivables

	2015 £'000	2014 £'000
Trade receivables (net of impairment provision)	206	117
Amounts due from related parties (note 20)	1,113	3,466
Prepayments	4	5
Accrued income	-	8
	1,323	3,596

The directors consider that the net carrying amount of Trade receivables approximates to their fair value.

11. Cash and cash equivalents

Cash and cash equivalents comprise the following for the purposes of the cash flow statement:

	2015 £'000	2014 £'000
Cash	49	70
	49	70

Cash and cash equivalents comprise cash held by the Company. The carrying amount of these assets approximates to their fair value.

12. Trade and other payables

	2015 £'000	2014 £'000
Current liabilities		
Trade payables	121	230
Amounts due to related parties (note 20)	704	3,223
Payroll and other taxes including social security	500	77
Accruals	5	88
Other liabilities	-	11
	1,330	3,629

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade payables approximates to their fair value.

13. Share capital

	2015		2014	
	Number 000's	Nominal value £'000	Number 000's	Nominal value £'000
52,083 issued and fully paid shares:	52	52	52	52
At the start and end of the year	52	52	52	52

The Company has one class of Ordinary Shares of one pound each which carry no right to fixed income.

14. Share premium account

The share premium account represents the fair value of the share consideration over and above the share's nominal value of £1 per share.

15. Operating lease commitments

At the Statement of Financial Position date, the Company had outstanding commitments for minimum lease payments due under non-cancellable operating leases, which expire as follows:

	Plant and equipment	
	2015 £'000	2014 £'000
Expiring:		
Within one year	4	4
Between two and five years	-	4
	4	8

16. Cash flow from operating activities

	2015 £'000	2014 £'000
Profit before tax	6	47
Operating cash flows before movements in working capital and provisions	6	47
Decrease/(increase) in trade and other receivables	2,273	(964)
(Decrease)/increase in trade and other payables	(2,299)	949
Cash (used by)/generated from operations before tax	(20)	32

17. Financial instruments

Carrying value and fair value

The accounting classification of each class of the Company's financial assets and liabilities, together with their fair values is as follows:

	Loans and receivables £'000	Other liabilities £'000	Total carrying value £'000	Total fair value £'000
At 31 December 2015				
Trade and other receivables	1,319		1,319	1,319
Trade and other payables		(1,325)	(1,325)	(1,325)
Cash and cash equivalents	49		49	49
At 31 December 2014				
Trade and other receivables	3,583		3,583	3,583
Trade and other payables		(3,530)	(3,530)	(3,530)
Cash and cash equivalents	70		70	70

The fair values of financial assets and liabilities are determined as follows:

- The fair value of cash and cash equivalents is equivalent to the carrying value due to the short-term nature of those instruments
- The fair value of other financial assets and liabilities with standard terms and conditions is determined in relation to estimated discounted cash flows to net present values

Cash and cash equivalents classified as loans and receivables mainly comprise investments in AAA/AA bank deposits which can be withdrawn without notice.

Financial risk management

The Company's financial instruments comprise borrowings, cash and liquid resources and various items such as trade debtors and trade creditors that arise from its operations. The main purpose of these financial instruments is to manage the Company's operations.

Liquidity risk

The Company generates funds from operations which are managed centrally within the Watchstone Group Plc group.

The following are the contractual maturities of financial liabilities:

	Carrying amount £'000	Contractual cash flows £'000	Less than 1 year £'000	Between 1-5 years £'000
Non-derivative financial liabilities				
2015				
Trade and other payables	1,325	(1,325)	(1,325)	-
	1,325	(1,325)	(1,325)	-
2014				
Trade and other payables	3,530	(3,530)	(3,530)	-
	3,530	(3,530)	(3,530)	-

Credit risk

The Company is not subject to significant concentration of credit risk with exposure spread over many companies. Policies are maintained to ensure that the Company enters into sales contracts that are tailored to the customers' respective credit risk. The credit quality of the Company's trade receivables is considered by management to be good as the exposure to a concentration of debt from a small number of individual end customers is low.

The average credit period taken on sales of services is 47 days (2014: 42 days). No interest is charged on the receivables balances. The Company does not hold any collateral or other credit enhancements over these balances nor has the legal right of offset with any amounts owed by the Company to the receivables counterparty.

The carrying amount of financial assets represents the maximum credit exposure. At the reporting date the principal financial assets were:

	Note	2015 £'000	2014 £'000
Non-derivative financial assets			
Trade and related party receivables	10	1,319	3,583
Cash and cash equivalents	11	49	70
		1,368	3,653

The maximum exposure to credit risk for trade receivables at the reporting date all related to the UK (2014: all related to the UK) and the carrying amounts of trade receivables are all denominated in Sterling (2014: all are denominated in Sterling).

The ageing of loans and other receivables at 31 December 2015 was as follows:

	2015 Gross £'000	2015 Impairment £'000	2015 Net £'000	2014 Gross £'000	2014 Impairment £'000	2014 Net £'000
Under 1 year	1,319	-	1,319	3,583	-	3,583
	1,319	-	1,319	3,583	-	3,583

There is £nil allowance for impairment (2014: £nil) in respect of loans and other receivables, and £nil movement during the year (2014: £nil). The allowance has been determined by reference to the recoverability of specific due and overdue debts. The creation and reversal of provisions for impaired trade receivables where they arise are included in administrative expenses in the Income Statement. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

18. Dividends

The Directors do not propose the payment of a dividend for the year ended 31 December 2015 (2014: £nil).

19. Ultimate parent company and controlling party

The immediate parent company is Metaskil Group Limited. The ultimate controlling party of the Company and the parent company of the smallest group to consolidate these Financial Statements is Watchstone Group Plc. Copies of the consolidated accounts of Watchstone Group Plc can be obtained by writing to the Company Secretary at 1 Barnes Wallis Road, Segensworth East, Fareham, Hampshire PO15 5UA.

20. Related party transactions

Transactions with companies within the Watchstone group:

	Sales and recharges made to		Receivable/(payable)	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Immediate parent	226	500	(704)	(2,870)
Ultimate parent	-	-	1,113	(125)
Fellow subsidiaries	1,041	1,401	-	3,466
Fellow subsidiaries	-	-	-	(228)