Financial Statements
Linear Composites Limited

For the Year Ended 31 December 2016



Registered number: 02380921

Company Information

Directors	M Finelli S J Miller T J Balderson M A S Showan
Company secretary	A W Rutter
Registered number	02380921
Registered office	Building 168 Maxwell Avenue Harwell Oxford Didcot Oxfordshire OX11 0QT
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3140 Rowan Place John Smith Drive Oxford Business Park South OXFORD OX4 2WB
Bankers	HSBC Bank plc 196 Oxford Street LONDON W1D 1NT

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Directors' Report

For the Year Ended 31 December 2016

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

Directors

The directors who served during the year were:

M Finelli
S J Miller
T J Balderson
M A S Showan

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgments and accounting 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' Report

For the Year Ended 31 December 2016

Auditors

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small Companies Note

In preparing this report, the directors have taken advantage of the small companies exemptions in part of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

S J Miller
Director

Date: 16/5/17



Independent Auditor's Report to the Members of Linear Composites Limited

We have audited the financial statements of Linear Composites Limited for the year ended 31 December 2016, which comprise the Statement of comprehensive income, the Statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 1, 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditor's Report to the Members of Linear Composites Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' Report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare the Directors' report.

Grant Thornton UK LLP

Tracey James (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Oxford
Date: 17 May 2017

Statement of Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover		**6,811,638**	6,359,846
Cost of sales		**(3,824,149)**	(4,572,910)
Gross profit		**2,987,489**	1,786,936
Administrative expenses		**(1,602,050)**	(1,035,725)
Other operating income		**492,449**	316,627
Operating profit		**1,877,888**	1,067,838
Interest payable and similar expenses	9	**(4,365)**	(1,595)
Profit before taxation		**1,873,523**	1,066,243
Taxation on profit	10	**(277,381)**	(265,566)
Profit for the financial year		**1,596,142**	800,677
Total comprehensive income for the year		**1,596,142**	800,677

There were no recognised gains and losses for 2016 or 2015 other than those included in the income statement.

The notes on pages 7 to 23 form part of these financial statements.

Statement of Financial Position

As at 31 December 2016

	Note		2016 £		2015 £
Fixed assets					
Tangible assets	12		**391,479**		410,218
			391,479		410,218
Current assets					
Stocks	13	**533,646**		448,843	
Debtors: amounts falling due within one year	14	**1,554,150**		2,158,461	
Cash at bank and in hand	15	**1,050,147**		68,498	
		3,137,943		2,675,802	
Creditors: amounts falling due within one year	16	**(1,290,745)**		(1,840,527)	
Net current assets			**1,847,198**		835,275
Total assets less current liabilities			**2,238,677**		1,245,493
Provisions for liabilities					
Deferred tax	18	**(40,560)**		(43,519)	
			(40,560)		(43,519)
Net assets			**2,198,117**		1,201,974
Capital and reserves					
Called up share capital			**2**		2
Profit and loss account			**2,198,115**		1,201,972
			2,198,117		1,201,974

The financial statements have been prepared and delivered in accordance with the provisions applicable to small companies within part is of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

S J Miller 16/5/17
Director

The notes on pages 7 to 23 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. General information

Linear Composites Limited is a world leader in the design, development and manufacture of high performance, reinforced plastics composites. Linear Composites Limited is a limited liability company incorporated in England and Wales. Its registered head office is located at Building 168, Maxwell Avenue, Harwell Oxford, Didcot, Oxfordshire, OX11 0QT. Registeration number: 02380921

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 section 1A - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland for smaller entities' ('FRS 102 1A'), and with the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 1A.7

This information is included in the consolidated financial statements of Officine Maccaferri S.p.A, as at 31 December 2016 and these financial statements may be obtained from Via Kennedy 10, 40069 Zola Predosa, Bologna, Italy..

2.3 Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors have reviewed the working capital requirements of the company for a period of at least 12 months from the anticipated date of signing the financial statements and are satisfied that the company will be able to meet its liabilities as they fall due.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.4 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Royalty income

Royalty income is recognised when Linear Composite technology has been used by a third party.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated 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 in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method..

Depreciation is provided on the following basis:

L/Term Leasehold Property	- 10% straight line
Plant & machinery	- 10% straight line
Computer equipment	- 20% straight line

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 disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

2.6 Operating leases: Lessee

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first outbasis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income statement within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.14 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows 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 out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.
Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

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 payments 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 Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Notes to the Financial Statements

For the Year Ended 31 December 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included below.

Critical judgments that management has made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relates to the following:

Deferred tax assets
The recognition of deferred tax assets is based on forecasts of future taxable profit. The measurement of future taxable profit for the purposes of determining whether or not to recognise deferred tax assets depends on many factors, including the company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets.

Provisions
In recognising provisions, the company evaluates the extent to which it is probably that it has incurred a legal or constructive obligation in respect of past events and the probability that there will be an outflow of benefits as a result. The judgments used to recognise provisions are based on currently known factors which may vary over time, resulting in changes in the measurement of recorded amounts as compared to initial estimates.

Stocks
Management estimates the net realisable values of stock, taking into account the most reliable evidence at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

4. Other operating income

	2016	2015
	£	£
Royalty receivable	**492,449**	316,627

Notes to the Financial Statements

For the Year Ended 31 December 2016

5. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	**59,511**	56,996
Operating lease costs	**120,000**	120,000
Exchange differences	**(242,210)**	13,097

6. Auditor's remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	**20,894**	10,300

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016	2015
	£	£
Wages and salaries	**1,245,446**	1,177,218
Social security costs	**115,714**	52,228
Cost of defined contribution scheme	**152,631**	119,340
	1,513,791	1,348,786

The average monthly number of employees, including directors, during the year was 33 (2015 - 34).

Notes to the Financial Statements

For the Year Ended 31 December 2016

8. Directors' remuneration

	2016	2015
	£	£
Directors' emoluments	**269,329**	245,707
Directors pension costs	**81,511**	52,571
	350,840	298,278

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £175,818 (2015 - £167,342).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £37,401 (2015 - £14,630).

All other Directors emoluments were paid through the parent company, Maccaferri Limited

9. Interest payable and similar expenses

	2016	2015
	£	£
Bank interest payable	**4,365**	1,593
Loans from group undertakings	**-**	2
	4,365	1,595

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

10. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	**195,483**	245,371
Adjustments in respect of previous periods	**2,102**	53,104
	197,585	298,475
Double taxation relief	**(98,490)**	(37,391)
	99,095	261,084
Foreign tax		
Foreign tax on income for the year	**107,088**	37,391
Foreign tax in respect of prior periods	**74,157**	(19,431)
	181,245	17,960
Total current tax	**280,340**	279,044
Deferred tax		
Origination and reversal of timing differences	**(542)**	(7,778)
Changes to tax rates	**(2,417)**	(5,700)
Total deferred tax	**(2,959)**	(13,478)
Taxation on profit	**277,381**	265,566

Notes to the Financial Statements

For the Year Ended 31 December 2016

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is ***select*** (2015 - ***select***) the standard rate of corporation tax in the UK of 20.25% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit before tax	**1,873,523**	1,066,243
Profit multiplied by standard rate of corporation tax in the UK of 20.25% (2015 - 20.25%)	**374,705**	215,914
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**853**	668
Foreign tax credits	**7,781**	-
Foreign tax on expenses	**817**	-
Adjustments to tax charge in respect of prior periods	**76,259**	53,104
Other timing differences leading to an increase (decrease) in taxation	**-**	(35)
Adjustments to brought forward values	**(4,120)**	-
Changes to tax rates	**(2,018)**	(4,490)
Fixed asset differences	**371**	405
Group relief	**(180,013)**	-
Deferred tax not recognised	**2,745**	-
Other	**1**	-
Total tax charge for the year	**277,381**	265,566

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2016 £	2015 £
Dividends paid on equity capital	**600,000**	1,200,000

Notes to the Financial Statements

For the Year Ended 31 December 2016

12. Tangible fixed assets

	L/Term Leasehold Property £	Plant & machinery £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2016	**20,000**	**1,902,592**	**58,529**	**1,981,121**
Additions	**-**	**40,771**	**-**	**40,771**
At 31 December 2016	**20,000**	**1,943,363**	**58,529**	**2,021,892**
Depreciation				
At 1 January 2016	**5,333**	**1,534,288**	**31,282**	**1,570,903**
Charge for the period on owned assets	**2,000**	**43,989**	**13,521**	**59,510**
At 31 December 2016	**7,333**	**1,578,277**	**44,803**	**1,630,413**
Net book value				
At 31 December 2016	**12,667**	**365,086**	**13,726**	**391,479**
At 31 December 2015	14,667	368,304	27,247	410,218

The net book value of land and buildings may be further analysed as follows:

	2016 £	2015 £
Long leasehold	**12,667**	14,667
	12,667	14,667

13. Stocks

	2016 £	2015 £
Raw materials and consumables	**171,120**	175,172
Work in progress (goods to be sold)	**137,851**	120,085
Finished goods	**224,675**	153,586
	533,646	448,843

Stock recognised in cost of sales during the year as an expense was £2,672,591 (2015 - £2,843,953).

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

14. Debtors

	2016 £	2015 £
Due within one year		
Trade debtors	**521,864**	1,418,328
Amounts owed by group undertakings	**913,692**	629,694
Other debtors	**207,696**	70,813
Corporation tax Recievable	**10,886**	5,200
VAT recievable	**(99,988)**	34,426
	1,554,150	2,158,461

15. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	**1,050,147**	68,498

16. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	**796,863**	796,795
Amounts owed to group undertakings	**104,352**	714,692
Corporation tax	**-**	1,039
Taxation and social security	**26,704**	22,696
Other creditors	**11,954**	8,155
Accruals	**350,872**	297,149
	1,290,745	1,840,526

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

17. Financial instruments

	2016	2015
	£	£
Financial assets		
Trade debtors	**521,864**	1,418,328
Amounts owed by group undertakings	**913,691**	629,694
Other debtors	**207,696**	150,065
Cash and cash equivalents	**1,050,417**	68,498
	2,693,668	2,266,585
Financial liabilities		
Trade creditors	**(796,863)**	(796,795)
Amounts owed to group undertakings	**(104,351)**	(714,692)
Accruals	**(350,872)**	(297,148)
Other creditors	**(11,954)**	(8,155)
	(1,264,040)	(1,816,790)

18. Deferred taxation

	Deferred tax
	£
At 1 January 2016	**(43,519)**
Charged to the profit or loss	**2,959**
At 31 December 2016	**(40,560)**

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	**(55,034)**	(59,535)
Short term timing differences	**14,474**	16,016
	(40,560)	(43,519)

19. Contingent liabilities

The company did not have contingent liabilities at 31 December 2016 and at 31 December 2015.

Notes to the Financial Statements

For the Year Ended 31 December 2016

20. Capital commitments

The company did not have capital commitments at 31 December 2016 and at 31 December 2015.

21. Pension commitments

The company had fully paid the commitments due to the pension scheme at 31 December 2016 and 31 December 2015.

22. Commitments under operating leases

At 31 December the company had annual commitments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Not later than 1 year	**120,000**	132,441
Later than 1 year and not later than 5 years	**480,000**	482,226
Total	**600,000**	614,667

23. Related party transactions

As a wholly-owned subsidiary, the company is exempt from the requirements of Financial Reporting Standard 102, section 33.1A to disclose transactions with other members of the group headed by SECI Societa Esercizi Commercialo e Industriali S.p.A on the grounds that the accounts of the latter company accounts are publicly available.

Copies of the group financial statements can be obtained from Via Agresti 6, Bologna, Italy.

24. Controlling party

The immediate parent company is Maccaferri Limited, a company incorporated in England and Wales.

The ultimate parent company is considered to be SECI Societa Esercizi Commercialo e Industriali S.p.A, a company incorporated in Italy.

The smallest publically available consolidated accounts are those of Officine Maccaferri S.p.A, a company incorporated in Italy and can be obtained from Via Kennedy 10, 40069 Zola Predosa, Bologna, Italy.

The largest publically available consolidated accounts are those of SECI Societa Esercizi Commercialo e Industriali S.p.A, a company incorporated in Italy and can be obtained from Via Agresti 6, Bologna, Italy.