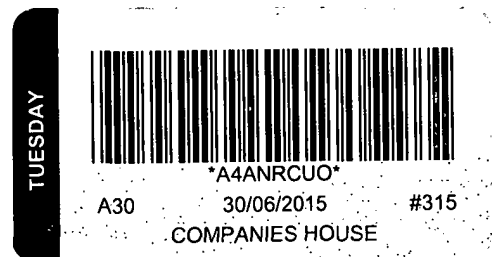


Company Registration No. 05755850

**Caparo Vehicle Technologies Limited
(formerly Caparo AP Braking Limited)**

Report and Financial Statements

31 December 2014



**Caparo Vehicle Technologies Limited (formerly Caparo AP
Braking Limited)**

Report and financial statements 2014

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**Caparo Vehicle Technologies Limited (formerly Caparo AP
Braking Limited)**

Report and financial statements 2014

Officers and professional advisers

Directors

The Honourable Angad Paul
P Begley
D M O'Reilly

Registered Office

Caparo House
103 Baker Street
London
W1U 6LN

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, UK

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Strategic report

Principal activity

The company engages in the manufacture and supply of braking and actuation systems to the automotive sector.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have an impact on the company's financial performance.

Global, political and economic conditions

The company has either sales or sourcing arrangements with various other countries throughout the world. Whilst the company benefits from the growth opportunities in these countries, it is similarly exposed to the economic, political and business risks associated with such international operations. Throughout its operations the company encounters different legal and regulatory requirements, including those for taxation, exchange control, environmental, operational and competitive matters.

Management monitor such risks and conditions, maintaining insurance cover and amending business procedures as appropriate to attempt to mitigate any exposure whilst remaining in compliance with local and group requirements.

Foreign exchange

The company makes sales to many countries, as such the company is exposed to movements in exchange rates between sterling and other world currencies, particularly the Euro, which could adversely or positively impact results.

Raw material and energy prices

The company's products and services utilise a range of raw materials, and production is relatively energy intensive. The pricing for these raw material inputs is largely determined by international or national factors beyond the company's control or influence. Short term volatility in the pricing of such inputs and any decrease in availability can significantly impact the company's financial performance.

The Caparo Group, of which the company is a subsidiary, has developed strong relationships with its suppliers and uses contractual means where possible to minimise the risk.

Litigation

As with any business, the company is subject to the risk of litigation from third parties. The company seeks to address such claims proactively.

In accordance with accounting requirements, a provision is made where required to address such litigation and the consequent costs of defence.

Environmental liabilities

The company conducts its operations in such a manner as to ensure compliance with environmental laws and regulations. If events occur where actions are necessary to maintain compliance, the company will devote suitable resources to the issue in order to remedy the situation.

Employees

The company has a reliance on the management teams employed. The company recognises the importance of this resource and as such reviews its remuneration policy together with its recruitment policy on a regular basis in order to ensure the company continues to retain and attract the best possible management teams

Future trading and liquidity risk

The directors regularly prepare profit and cash flow forecasts based on the likely levels of demand from key customers and suppliers.

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Strategic report (continued)

Review of the business and future developments

The company's profit and loss account is set out on page 7 and shows turnover for the year of £10,080,000 (2013: £10,959,000). 2014 saw reduced demand from vehicle manufacturers as vehicle platforms reached their conclusion and a reduction in aftermarket work, with investment in development of new products during the year. Further details of turnover by geographical area are given in note 2 to the financial statements.

An operating profit of £137,000 (2013: £622,000) was recorded in the year.

After deducting interest and tax, the company's profit for the year amounted to £111,000 (2013: £441,000).

No interim dividend was paid in the year (2013: £nil). The directors do not recommend the payment of a final dividend (2013: £nil).

The balance sheet as at 31 December 2014 shows 'total assets less current liabilities' of £2,435,000 (2013: £2,324,000) and shareholders' funds of £2,335,000 (2013: £2,224,000).

2014 trading conditions have continued into the first months of 2015. The company is expected to operate within available facilities, therefore the financial statements have been prepared on the going concern basis.

Key performance indicators

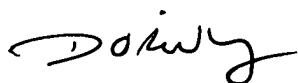
Key performance indicators within the Caparo Group are specific to the nature of the operations of each business. This data is reported to divisional and Caparo Group senior management on a monthly basis.

The financial key performance indicators of the company include:

- Gross profit percentage at 16.7% (2013: 20.3%)
- Operating profit percentage at 1.4% (2013: 5.7%)
- Working capital of £1,007,000 (2013: £1,015,000)
- Return on capital employed of 11.6% (2013: 54.0%)

As at 31 December 2014, the reported key performance indicators were in line with expectations given the reduced demand. In addition to the above key performance indicators the company monitors other financial performance indicators on a monthly basis against forecasts and budgets including, but not limited to, material and contribution margins, working capital days and cash flows.

Approved by the Board of Directors
and signed on behalf of the Board



D M O'Reilly
Director

Date 29 JUNE 2015

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2014. The company is a wholly owned subsidiary of Caparo Vehicle Products Limited, a company registered in England and Wales.

The company changed its name from Caparo AP Braking Limited to Caparo Vehicle Technologies Limited on 20 April 2015.

Directors

The directors of the company during the year, and to the date of this report, were:

The Honourable Angad Paul
D P Dancaaster (resigned 15 August 2014)
D M O'Reilly
J C Pay (resigned 15 August 2014)
P Begley (appointed 14 October 2014)

Employment of disabled persons

The company is an equal opportunity employer and makes every effort to ensure disabled people are not discriminated against on the grounds of their disability. In the event of staff becoming disabled, every effort is made to ensure that their employment continues and that appropriate training is arranged.

Indemnity cover

Third party indemnity cover for the directors was in force during the financial year and at the year end.

Employee involvement

Employees are kept informed regarding the company's affairs and are consulted on a regular basis wherever feasible and appropriate.

Financial instruments

Details of the financial risk management objectives and policies and details of the use of financial instruments by the company are provided in note 21 to the financial statements.

Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of the information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

By order of the Board



D M O'Reilly

Director

Date 29 JUNE 2015

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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.

Independent auditor's report to the members of Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

We have audited the financial statements of Caparo Vehicle Technologies Limited for the year ended 31 December 2014, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.



Jane Whitlock (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, UK

30 June 2015

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

**Profit and loss account
Year ended 31 December 2014**

	Note	2014 £'000	2013 £'000
Turnover	2	10,080	10,959
Cost of sales		<u>(8,394)</u>	<u>(8,731)</u>
Gross profit		1,686	2,228
Distribution costs		(11)	(11)
Administrative expenses		<u>(1,538)</u>	<u>(1,595)</u>
Operating profit	5	137	622
Interest receivable and similar income	6	-	2
Interest payable and similar charges	7	<u>(2)</u>	<u>(1)</u>
Profit on ordinary activities before taxation		135	623
Taxation on profit on ordinary activities	8	<u>(24)</u>	<u>(182)</u>
Profit for the financial year	17	<u>111</u>	<u>441</u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account for the current and prior year.

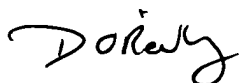
The notes on pages 9 to 20 form part of these financial statements.

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Balance sheet 31 December 2014

<i>Company number 05755850</i>	Note	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Fixed assets					
Intangible fixed assets	9		41		26
Tangible fixed assets	10		128		138
			<u>169</u>		<u>164</u>
Current assets					
Stocks	11	1,234		1,164	
Debtors due within one year	12	1,821		1,582	
Debtors due after more than one year	12	1,225		1,359	
Cash at bank and in hand		574		322	
		<u>4,854</u>		<u>4,427</u>	
Creditors: amounts falling due within one year	13	<u>(2,588)</u>		<u>(2,267)</u>	
Net current assets			<u>2,266</u>		<u>2,160</u>
Total assets less current liabilities			<u>2,435</u>		<u>2,324</u>
Provisions for liabilities	15		<u>(100)</u>		<u>(100)</u>
Net assets			<u><u>2,335</u></u>		<u><u>2,224</u></u>
Capital and reserves					
Called up share capital	16		-		-
Profit and loss account	17		<u>2,335</u>		<u>2,224</u>
Shareholders' funds	17		<u><u>2,335</u></u>		<u><u>2,224</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 JUNE 2015



D M O'Reilly
Director

The notes on pages 9 to 20 form part of these financial statements.

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Notes to the financial statements Year ended 31 December 2014

1. Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with United Kingdom Accounting Standards.

The following principal accounting policies have been applied:

Basis of preparation

The directors have prepared the financial statements on the going concern basis. In preparing the financial statements on this basis the directors have taken account of the following factors.

The overall cash requirements of the group are managed centrally. The directors have prepared profit and loss and cash flow forecasts for the period to June 2016 which indicates that the group and company are expected to trade within available facilities during the forecast period.

Turnover

Turnover, stated net of value added tax, represents amounts invoiced to third parties. Turnover is recognised when the risks and rewards of owning the goods have passed to the customer, which is generally on delivery.

Goodwill

Acquisitions are included from the date of acquisition and disposals excluded from the date of effective disposal. Goodwill, being the excess of purchase consideration over the fair value of the underlying net assets, is capitalised and is amortised over its estimated useful life of up to 20 years. Goodwill is subject to an impairment review where there is an indication of an impairment.

Leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Assets acquired under finance leases are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element is charged to the profit and loss account over the term of the agreement.

Research and development expenditure

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred with the exception of expenditure on the development of certain major new product projects where the outcome of those projects is assessed as being reasonably certain as regards viability and technical feasibility. Such expenditure is capitalised and amortised over a period of not longer than five years commencing in the year that sales of the product are first made.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising are taken to the profit and loss account.

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Notes to the financial statements (continued) Year ended 31 December 2014

1. Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on a non-discounted basis.

Tangible fixed assets

Fixed assets not acquired by a business combination are recorded at cost on acquisition. The carrying values of tangible fixed assets are reviewed for impairment if events or other changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation is provided to write off the cost or valuation, less the estimated residual values, of tangible fixed assets by equal instalments over their expected useful economic lives, as follows:

Plant and machinery	-	10% per annum
Fixtures, fittings and tooling	-	10% - 33% per annum
Motor vehicles	-	25% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Warranty

Warranty costs are accrued against income based on anticipated liabilities arising from sales made.

Pension costs

The pension costs for defined contribution schemes are the contributions payable in the year.

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Notes to the financial statements (continued) Year ended 31 December 2014

1. Accounting policies (continued)

Provisions

Provisions are created where the company has a present legal or constructive obligation to third parties as a result of a past event and it is probable that it will result in an outflow of economic benefits. The amount recognised as the provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date. If the effect of discounting is material, provisions are discounted to the expected present value of their cash flows. The nature of these provisions are:

- a) Property provisions: Provisions made in respect of individual properties where there are obligations for onerous contracts and dilapidations.
- b) Restructuring provisions: Provisions are established for announced and ongoing restructuring programmes. The provision includes costs of severance, costs of property closure, and other direct expenditures.
- c) Environmental provisions: The company is exposed to environmental liabilities arising from its current operations.

The unwinding of the discount is included within the profit and loss statement as a financing charge.

Exceptional items

Items that the directors consider are material in size or unusual or infrequent in nature are presented as exceptional items in the operating profit note. The directors are of the opinion that the separate presentation of exceptional items provides helpful information about the companies underlying business performance. Examples of events that, inter alia, may give rise to the classification of items as exceptional are the restructuring of existing businesses and write-downs or impairments of current and non-current assets.

Financial risk management

Exposure to movements in rates of foreign exchange in relation to trading transactions between the date that a contractual obligation is entered into and the date of completion of the contract is hedged through the use of currency asset and liability matching, forward exchange contracts and other financial instruments.

Exposure to movements in interest rates is reviewed by the directors. The company utilises financial instruments to limit the company's exposure to movements in interest rates where in the opinion of the directors the expected benefits of such arrangements exceed the expected costs or at the request of the company's lenders.

Further information is provided in note 21 to the financial statements.

Cash flow statement

Under Financial Reporting Standard 1 'Cash Flow Statements' (FRS 1), the company is exempt from the requirement to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Caparo Group Limited and the company is included in the consolidated financial statements of Caparo Group Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Notes to the financial statements (continued) Year ended 31 December 2014

2. Turnover

The company's turnover is derived from its principal activity; an analysis by geographical market is as follows:

	2014 £'000	2013 £'000
United Kingdom	9,505	9,263
Rest of Europe	228	1,133
North America	347	563
	<u>10,080</u>	<u>10,959</u>

3. Employees

	2014 £'000	2013 £'000
Staff costs consist of:		
Wages and salaries	2,422	2,390
Social security costs	222	228
Pension costs (note 19)	109	99
	<u>2,753</u>	<u>2,717</u>

The average number of employees during the year was:

	2014 Number	2013 Number
Production and sales	82	84
Administration	12	11
	<u>94</u>	<u>95</u>

4. Directors' remuneration

No director received any remuneration during the current or prior year in relation to services provided to this company. The directors are remunerated by fellow subsidiary companies of Caparo Group Limited, the ultimate parent company.

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Notes to the financial statements (continued) Year ended 31 December 2014

5. Operating profit

	2014 £'000	2013 £'000
This has been arrived at after charging/(crediting):		
Goodwill amortised	2	2
Research and development expensed	3	11
Depreciation of owned assets	32	44
Depreciation of finance leased assets	-	4
Profit on disposal of fixed assets	-	(11)
Operating lease rentals:		
- plant	35	36
- other	369	361
Exchange losses	6	97
Exceptional restructuring costs	294	-
	<u>294</u>	<u>-</u>

Exceptional restructuring costs comprise of redundancy costs £294,000 (2013: nil).

The analysis of auditor's remuneration is as follows:

	2014 £'000	2013 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts	13	12
	<u>13</u>	<u>12</u>

6. Interest receivable and similar income

	2014 £'000	2013 £'000
Bank interest	-	2
	<u>-</u>	<u>2</u>

7. Interest payable and similar charges

	2014 £'000	2013 £'000
Bank loans and overdrafts	1	-
Finance lease interest	1	1
	<u>2</u>	<u>1</u>

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Notes to the financial statements (continued) Year ended 31 December 2014

8. Taxation on profit on ordinary activities

	2014 £'000	2014 £'000	2013 £'000	2013 £'000
The taxation on profit on ordinary activities comprises:				
<i>Current tax</i>				
Corporation tax on profits of the year	36		145	
Adjustment in respect of previous years	(46)		(62)	
Total current tax (credit)/charge		(10)		83
<i>Deferred tax (note 15)</i>				
Movement in deferred tax provision	73		41	
Adjustment in respect of previous years	(39)		58	
		34		99
Taxation charge on profit on ordinary activities		24		182

The current tax on ordinary activities for the year is different from the standard rate of corporation tax in the UK. The differences are explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	135	623
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21.50% (2013: 23.25%)	29	145
Effect of:		
Permanent differences	1	2
Capital allowances for the year less than depreciation	6	9
Other timing differences	-	(11)
Adjustment in respect of previous years	(46)	(62)
Current tax (credit)/charge for year	(10)	83

Factors that may affect future tax charges

In the 2013 Budget, issued on 20 March 2013, the Chancellor announced that the main rate of corporation tax would be reduced to 20% with effect from 1 April 2015. As this rate was enacted in the 2013 Finance Act, the deferred tax rate has been recognised at 20%.

Based on current capital investment plans, the company expects capital allowances to exceed depreciation in future years.

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Notes to the financial statements (continued) Year ended 31 December 2014

9. Intangible fixed assets

	Goodwill £'000	Development expenditure £'000	Total £'000
Cost			
At 1 January 2014	42	42	84
Additions	-	17	17
At 31 December 2014	<u>42</u>	<u>59</u>	<u>101</u>
Amortisation			
At 1 January 2014	16	42	58
Amortised in the year	2	-	2
At 31 December 2014	<u>18</u>	<u>42</u>	<u>60</u>
Net book value			
At 31 December 2014	<u>24</u>	<u>17</u>	<u>41</u>
At 31 December 2013	<u>26</u>	<u>-</u>	<u>26</u>

10. Tangible fixed assets

	Plant, machinery fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 January 2014	1,880	93	1,973
Additions	22	-	22
At 31 December 2014	<u>1,902</u>	<u>93</u>	<u>1,995</u>
Depreciation			
At 1 January 2014	1,747	88	1,835
Charge for the year	27	5	32
At 31 December 2014	<u>1,774</u>	<u>93</u>	<u>1,867</u>
Net book value			
At 31 December 2014	<u>128</u>	<u>-</u>	<u>128</u>
At 31 December 2013	<u>133</u>	<u>5</u>	<u>138</u>

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Notes to the financial statements (continued) Year ended 31 December 2014

11. Stocks

	2014 £'000	2013 £'000
Raw materials and consumables	776	732
Work in progress	217	291
Finished goods and goods for resale	241	141
	<u>1,234</u>	<u>1,164</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

12. Debtors

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Trade debtors	1,578	1,280
Amounts owed by group undertakings	34	60
Prepayments and accrued income	209	242
	<u>1,821</u>	<u>1,582</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	668	768
Prepayments and accrued income	349	349
Deferred tax (note 15)	208	242
	<u>1,225</u>	<u>1,359</u>
Total debtors	<u><u>3,046</u></u>	<u><u>2,941</u></u>

The amounts owed by group undertakings have no fixed repayment date and are non-interest bearing.

13. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Bank loans, overdrafts and similar finance (note 14)	485	410
Trade creditors	1,471	1,241
Amounts owed to group undertakings	53	41
Corporation tax	36	145
Other taxation and social security	336	245
Accruals and deferred income	207	185
	<u>2,588</u>	<u>2,267</u>

All amounts shown under creditors fall due within one year.

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Notes to the financial statements (continued) Year ended 31 December 2014

14. Bank loans, overdrafts and similar finance

	2014 £'000	2013 £'000
Bank loans, overdrafts and similar finance are repayable as follows:		
In one year or less	<u>485</u>	<u>410</u>

The bank loans, overdrafts and similar finance are secured by a charge over certain assets of the company and of certain group companies, with interest being charged at commercial rates.

15. Provisions for liabilities and charges

	Dilapidation provisions £'000
At 1 January 2014	100
Charged to the profit and loss account	-
At 31 December 2014	<u>100</u>

	Deferred tax £'000
At 1 January 2014	(242)
Charged to the profit and loss account	34
At 31 December 2014	<u>(208)</u>

In the opinion of the directors, the company will generate sufficient taxable profits in the future such that the future reversal of the underlying timing differences, which give rise to the deferred tax asset, will be deducted.

Deferred tax is included within 'Debtors' in the balance sheet (note 12).

Deferred tax comprised the following assets:

	Provided 2014 £'000	Unprovided 2014 £'000	Provided 2013 £'000	Unprovided 2013 £'000
Accelerated capital allowances	(205)	-	(240)	-
Short term timing differences	(3)	-	(2)	-
	<u>(208)</u>	<u>-</u>	<u>(242)</u>	<u>-</u>

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Notes to the financial statements (continued) Year ended 31 December 2014

16. Called up share capital

	Allotted, called up and fully paid			
	2014 Number	2014 £'000	2013 Number	2013 £'000
Ordinary shares of £1 each	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

17. (a) Reserves

	Profit and loss account £'000
At 1 January 2014	2,224
Profit for the financial year	111
At 31 December 2014	<u>2,335</u>

(b) Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Opening shareholders' funds	2,224	1,783
Profit for the financial year	111	441
Closing shareholders' funds	<u>2,335</u>	<u>2,224</u>

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Notes to the financial statements (continued) Year ended 31 December 2014

18. Commitments and contingent liabilities

(i) As at 31 December 2014, the company had no capital commitments which were contracted but not provided for (2013: £nil).

(ii) Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings 2014 £'000	Other 2014 £'000	Land and buildings 2013 £'000	Other 2013 £'000
Operating leases which expire:				
Within one year	-	3	-	-
Within two to five years	343	9	343	41
Over five years	-	-	-	-
	<u>343</u>	<u>12</u>	<u>343</u>	<u>41</u>

(iii) The company is liable under cross guarantee arrangements, together with other group companies, for bank and certain loan facilities entered into by companies. At 31 December, this liability amounted to £37,858,671 (2013: £28,354,000).

19. Pension schemes

The company contributes to the Caparo Stakeholder Pension Plan, a UK defined contribution scheme invested through Mobius Life Limited.

The pension charge in respect of this arrangement was £109,000 (2013: £99,000). At 31 December 2014, no employee contributions were payable to the Caparo Stakeholder Pension Plan (2013: £nil).

20. Related party transactions

The company has taken advantage of the exemptions granted under Financial Reporting Standard 8 'Related Party Transactions', from disclosing transactions entered into between two or more members of a group provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

Transactions between two or more members of the group where any subsidiary undertaking party to those transactions is not wholly owned by a member of the group are considered immaterial and have not, therefore, been disclosed.

21. Financial instruments

The company holds or issues financial instruments to finance its operations and entered into contracts to manage risks arising from those operations and its sources of finance in accordance with its accounting policies.

Various financial instruments such as trade debtors and trade creditors arise directly from the company's operations.

The company performs rigorous credit checks for all customers, and credit insurance is obtained, where available, to minimise bad debt risk. Where credit insurance is not available, the company undertakes detailed credit evaluations of prospective customers, which are subject to group review and approval before supplies can be made.

Operations are financed by a mixture of retained profits, short term bank borrowings and term loans. Working capital requirements are funded principally out of short and longer term banking facilities and retained profits.

Caparo Vehicle Technologies Limited (formerly Caparo AP Braking Limited)

Notes to the financial statements (continued) Year ended 31 December 2014

22. Ultimate parent company and controlling parties

The immediate parent company is Caparo Vehicle Products Limited and the ultimate parent company is Caparo Group Limited, a company incorporated in the United Kingdom.

The largest group in which the results of the company are consolidated is that headed by Caparo Group Limited. The smallest group in which they are consolidated is that headed by Caparo Industries Plc. Copies of the consolidated accounts of Caparo Group Limited and Caparo Industries Plc are available from Companies House, Cardiff.

The Right Honourable The Lord Paul of Marylebone, The Honourable Ms Anjli Paul, The Honourable Ambar Paul, The Honourable Akash Paul and The Honourable Angad Paul, directors of Caparo Group Limited, are jointly and indirectly interested in the whole of the issued share capital of Caparo Group Limited through shareholdings registered in the name of Caparo International Corporation, a company registered in the British Virgin Islands. Caparo International Corporation ultimately holds the issued share capital of Caparo Group Limited on behalf of a series of family trusts.