

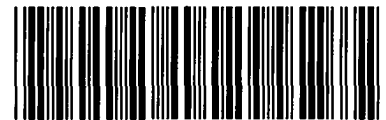
**Morgan Trans Limited**  
Directors' report and financial  
statements

Registered number

02557161

For the  
year ended 31 December 2016

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## Directors' report

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

The Company is a member of the Morgan Advanced Materials plc group (Morgan Group), which, from March 2016, managed its operations on a global business unit basis. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

### Dividends

The Directors do not recommend the payment of a dividend (2015: £nil).

### Directors

The Directors who held office during the year and at the date of this report were as follows:

PD Wilkins - resigned 29 February 2016

AC Riley - resigned 19 October 2016

PA Boulton - appointed 29 February 2016

CR Collins - appointed 19 October 2016

Morgan Advanced Materials plc purchases directors' and officers' insurance cover on behalf of all Group companies in the UK.

### Strategic report

The Directors have not prepared a Strategic report, taking a small companies exemption as permitted by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

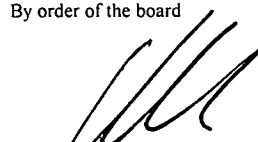
### Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

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

By order of the board



CR Collins

Director

Quadrant

55-57 High Street

Windsor

Berkshire

SL4 1LP

8 September

2017

## Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG LLP  
15 Canada Square  
London E14 5GL  
United Kingdom

## Independent auditor's report to the members of Morgan Trans Limited

We have audited the financial statements of Morgan Trans Limited for the year ended 31 December 2016 set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 4, 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](http://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 loss for the year then ended;
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

### 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 a strategic report.

Anthony Sykes  
(Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square  
London  
E14 5GL  
United Kingdom

14/9/2017

**Profit and loss account and other comprehensive income**  
*for the year ended 31 December 2016*

|  | <i>Note</i> | <b>2016</b><br><b>£000</b> | <b>2015</b><br><b>£000</b> |
|--|-------------|----------------------------|----------------------------|
| Interest payable and similar charges                       | 4           | (6)                        | (9)                        |
| Loss before tax  |             | <u>(6)</u>                 | <u>(9)</u>                 |
| Tax on loss  | 3           | -                          | -                          |
| Loss and total comprehensive income for the financial year |             | <u><u>(6)</u></u>          | <u><u>(9)</u></u>          |

All of the above figures relate wholly to continuing operations.

The notes on pages 7 to 9 form part of these accounts.

**Balance sheet**  
 at 31 December 2016

|   | <i>Note</i> | <b>2016</b><br>£000 | 2015<br>£000 |
|---|-------------|---------------------|--------------|
| <b>Fixed assets</b>                                   |             |                     |              |
| Investments   | 5           | -                   | -            |
| <b>Creditors: amounts falling due within one year</b> | 6           | <b>(245)</b>        | (239)        |
| <b>Net current liabilities</b>                        |             | <u>(245)</u>        | <u>(239)</u> |
| <b>Net liabilities</b>                                |             | <u>(245)</u>        | <u>(239)</u> |
| <b>Capital and reserves</b>                           |             |                     |              |
| Called up share capital                               | 7           | -                   | -            |
| Profit and loss account                               | 8           | <b>(245)</b>        | (239)        |
| <b>Shareholders' funds</b>                            |             | <u>(245)</u>        | <u>(239)</u> |

The notes on pages 7 to 9 form part of these accounts.

The financial statements were approved by the board of Directors on 8 September 2017 and were signed on its behalf by:



CR Collins  
 Director

8 September 2017

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

|                                       | Called up<br>share capital<br>£000 | Profit and<br>loss<br>account<br>£000 | Total<br>equity<br>£000 |
|---------------------------------------|------------------------------------|---------------------------------------|-------------------------|
| Balance at 1 January 2015             | -                                  | (230)                                 | (230)                   |
| Total comprehensive loss for the year | -                                  | (9)                                   | (9)                     |
| Balance at 31 December 2015           | -                                  | (239)                                 | (239)                   |
| Total comprehensive loss for the year | -                                  | (6)                                   | (6)                     |
| <b>Balance at 31 December 2016</b>    | -                                  | <b>(245)</b>                          | <b>(245)</b>            |

The notes on pages 7 to 9 form part of these accounts.



## Notes

*(forming part of the financial statements)*

### **I Accounting policies**

Morgan Trans Limited is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. The financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101').

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Morgan Advanced Materials plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Morgan Advanced Materials plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Quadrant, 55-57 High Street, Windsor, Berkshire, SL4 1LP.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of key management personnel and the services provided to them;
- disclosures in respect of capital management.

As the consolidated financial statements of Morgan Advanced Materials plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to the period presented in these financial statements. There are no significant estimates or judgements made in the preparation of these financial statements.

### **Measurement convention**

The financial statements are prepared on the historical cost basis.

### **Functional and presentation currency**

The Companies' financial statements are presented in pounds sterling, which is also the Companies' functional currency.

### **Going concern**

The financial statements for the year ended 31 December 2016 have been prepared on a going concern basis as Morgan Advanced Materials plc has indicated to the Directors that it will continue to support the Company such that it can continue to settle its liabilities as they fall due.

### **Investments**

Fixed asset investments are stated at cost less provision for impairment. Impairment provisions are determined by comparing the carrying value of the investment with its recoverable amount. The recoverable amount is the value of expected discounted cash flows arising from owning the investment. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. Impairment losses are recognised in the profit and loss account.

### **Related Party Transactions**

As the Company is a wholly owned subsidiary of Morgan Advanced Materials plc, the Company has taken advantage of the exemption contained in IAS 24 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the Group.

### **Taxation**

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

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

**2 Directors' emoluments, audit fees and employees**

The directors performed no qualifying services for the company in respect of the current or preceding periods and therefore received no emoluments.

In the year ended 31 December 2016, an amount of £2,000 (2015: £2,000) receivable by the auditor and their associates in respect of audit services has been paid by another Group company.

There are no employees in this Company (2015: none).

**3 Taxation**

*Analysis of charge in year:*

|                                    | 2016     | 2015     |
|------------------------------------|----------|----------|
|                                    | £000     | £000     |
| <i>UK corporation tax</i>          |          |          |
| Current tax on loss for the year   | -        | -        |
|                                    | <u>-</u> | <u>-</u> |
| Total current tax                  | -        | -        |
| Tax on loss on ordinary activities | -        | -        |
|                                    | <u>-</u> | <u>-</u> |

*Reconciliation of effective tax rate:*

The tax charge for the year is higher (2015: higher) than the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below.

|  | 2016       | 2015       |
|--|------------|------------|
|  | £000       | £000       |
| <i>Tax reconciliation</i>                |            |            |
| Loss before tax                          | (6)        | (9)        |
|  | <u>(6)</u> | <u>(9)</u> |
| Current tax at 20% (2015: 20.25%)        | (1)        | (2)        |
| <i>Effects of:</i>                       |            |            |
| Expenses not deductible for tax purposes | 1          | 2          |
| Total tax charge (see above)             | <u>-</u>   | <u>-</u>   |

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

**4 Interest payable and similar charges**

|  | 2016     | 2015     |
|--|----------|----------|
|  | £000     | £000     |
| Interest payable to Group undertakings | <u>6</u> | <u>9</u> |

5 Investments

|                       | Shares in<br>group<br>undertakings<br>£000 |
|-----------------------|--|
| <b>Cost</b>           |  |
| At beginning of year  | 7  |
| At end of year        | <u>7</u>                                   |
| <b>Provisions</b>     |  |
| At beginning of year  | (7)  |
| At end of year        | <u>(7)</u>                                 |
| <b>Net Book Value</b> |  |
| At 31 December 2016   | <u>-</u>                                   |
| At 31 December 2015   | <u>-</u>                                   |

The investment has been written down as the Directors consider its' value to be £nil (2015: £nil). The Company held this investment in the shares of Morgan Trans Budapest Kereskedelmi Kft which has been dissolved during the year, however since the Net Book Value of this investment in the accounts of the Company has been nil, it has no further impact on financial statements of the Company.

6 Creditors: amounts falling due within one year

|                                    | 2016<br>£000 | 2015<br>£000 |
|------------------------------------|--------------|--------------|
| Amounts owed to group undertakings | <u>245</u>   | <u>239</u>   |

7 Called up share capital

|  | 2016<br>£  | 2015<br>£  |
|--|------------|------------|
| <i>Allotted, called up and fully paid</i>  |            |            |
| 100 (2015: 100) ordinary shares of £1 each | <u>100</u> | <u>100</u> |

8 Reserves

|                     | Profit and loss<br>account<br>£000 |
|---------------------|------------------------------------|
| At 1 January 2015   | (230)                              |
| Loss for the year   | <u>(9)</u>                         |
| At 31 December 2015 | (239)                              |
| Loss for the year   | <u>(6)</u>                         |
| At 31 December 2016 | <u>(245)</u>                       |

9 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Directors regard Morgan Advanced Materials plc, incorporated in England and Wales, as being the Company's ultimate parent undertaking. The smallest and largest group in which the results of the Company are consolidated is that headed by Morgan Advanced Materials plc. The Consolidated accounts of Morgan Advanced Materials plc are available to the public and may be obtained from its registered office situated at Quadrant, 55-57 High Street, Windsor, Berkshire SL4 1LP.