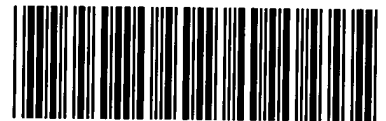


COMPANY REGISTRATION NUMBER 773331

NUMATIC INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2014

TUESDAY



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COMPANIES HOUSE

STEWART & CO
Chartered Accountants & Statutory Auditor
Knoll House, Knoll Road
Camberley, Surrey
GU15 3SY

NUMATIC INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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NUMATIC INTERNATIONAL LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2014

PRINCIPAL ACTIVITIES

The principal activity of the group during the year was that of design, manufacture and distribution of professional cleaning equipment and there has been no change during the year.

BUSINESS REVIEW

For the year of 2014 we can report a year of almost forced consolidation by virtue of needing to redesign substantially details of many of our products to comply with the September 2014 introduction of the Eco Design and Labelling Regulations. This change required a considerable amount of additional work throughout the company to the exclusion of other activities. The final results of our extra efforts were, however, first class putting us at the forefront of our industry and, in many respects, ahead of the competition.

During this time of technical consolidation sales continued unabated. The group activities responded well to the confident preparation towards the September Eco introduction with the dealers excited in the knowledge that we were projecting a major step forward in product design and performance.

Our overseas subsidiaries are equally optimistic about our market position. As it stands at the moment we look equally optimistic with regard to 2015 and plan a further factory extension to prepare for increased sales and new products in 2016/2017.

INCLUSION

Chard remains our main production facility. We support a full range of Equal Opportunity and Capability policies with appropriate support, training and intervention to assist all prospective and existing employees through their careers with Numatic.

We also support and encourage employee involvement particularly within our Works Council and Health and Safety committee structures both to consult and share information for the mutual benefit of employees and the Company as a whole.

Signed by order of the director



Mr S Whitlock
Company Secretary

Approved by the director on 20 August 2015

NUMATIC INTERNATIONAL LIMITED

DIRECTOR'S REPORT

YEAR ENDED 31 DECEMBER 2014

The director presents his report and the financial statements of the group for the year ended 31 December 2014.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £9,402,000. The director has not recommended a dividend.

FINANCIAL INSTRUMENTS

During the year ended 31 December 2014 the company did not use any financial instruments to hedge its risks associated with price, credit, liquidity or cash flow.

DIRECTOR

The director who served the company during the year was as follows:

Mr C R Duncan

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 the group and of the profit or loss of the group for that year.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRATEGIC REPORT

The group in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has set out in the group's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

NUMATIC INTERNATIONAL LIMITED

DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

AUDITOR

Stewart & Co are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The director at the date of the approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
Knoll House
Knoll Road
Camberley
Surrey
GU15 3SY

Signed by order of the director



Mr S Whitlock
Company Secretary

Approved by the director on 20 August 2015

NUMATIC INTERNATIONAL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
NUMATIC INTERNATIONAL LIMITED
YEAR ENDED 31 DECEMBER 2014

We have audited the group and parent company financial statements ("the financial statements") of Numatic International Limited for the year ended 31 December 2014. 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 shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As explained more fully in the Director's Responsibilities Statement set out on page 2, the director is 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; 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 group's and parent company's affairs as at 31 December 2014 and of the group's 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.

NUMATIC INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF NUMATIC INTERNATIONAL LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2014

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Director's 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



DAVID HARTLEY FCA (Senior
Statutory Auditor)
For and on behalf of
STEWART & CO
Chartered Accountants
& Statutory Auditor

Knoll House, Knoll Road
Camberley, Surrey
GU15 3SY

20 August 2015

NUMATIC INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	2013 £000
GROUP TURNOVER	2	129,143	124,446
Cost of sales		<u>83,210</u>	<u>81,402</u>
GROSS PROFIT		45,933	43,044
Distribution costs		2,439	2,479
Administrative expenses		32,045	30,060
Other operating income	3	<u>(92)</u>	<u>(187)</u>
OPERATING PROFIT	4	11,541	10,692
Attributable to:			
Operating profit before exceptional items		11,536	10,692
Exceptional items	4	<u>5</u>	<u>-</u>
		11,541	10,692
Interest receivable		26	25
Interest payable and similar charges	7	(218)	(403)
Other finance costs	8	<u>(499)</u>	<u>(265)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		10,850	10,049
Tax on profit on ordinary activities	9	<u>1,448</u>	<u>2,413</u>
PROFIT FOR THE FINANCIAL YEAR	10	<u>9,402</u>	<u>7,636</u>

All of the activities of the group are classed as continuing.

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account.

The notes on pages 11 to 30 form part of these financial statements.

NUMATIC INTERNATIONAL LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2014

	2014 £000	2013 £000
Profit for the financial year		
attributable to the shareholder of the parent company	9,402	7,636
Actuarial (loss)/gain in respect of defined benefit pension scheme	(8,240)	188
Deferred tax in respect of defined benefit pension scheme	<u>1,597</u>	<u>(164)</u>
	2,759	7,660
Exchange differences on retranslation of net assets of subsidiary undertakings	<u>(336)</u>	<u>(363)</u>
Total gains and losses recognised since the last annual report	<u><u>2,423</u></u>	<u><u>7,297</u></u>

The notes on pages 11 to 30 form part of these financial statements.

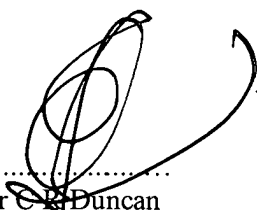
NUMATIC INTERNATIONAL LIMITED

GROUP BALANCE SHEET

31 DECEMBER 2014

		2014		2013
	Note	£000	£000	£000
FIXED ASSETS				
Intangible assets	11		89	107
Tangible assets	12		<u>29,801</u>	<u>29,352</u>
			<u>29,890</u>	<u>29,459</u>
CURRENT ASSETS				
Stocks	14	20,087		18,489
Debtors	15	18,855		18,858
Cash at bank		<u>20,259</u>		<u>16,370</u>
		59,201		53,717
CREDITORS: Amounts falling due within one year	17	<u>19,018</u>		<u>20,273</u>
NET CURRENT ASSETS			<u>40,183</u>	<u>33,444</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>70,073</u>	<u>62,903</u>
CREDITORS: Amounts falling due after more than one year	18		5,394	5,944
PROVISIONS FOR LIABILITIES				
Deferred taxation	16		-	168
Other provisions	19		<u>1,798</u>	<u>1,933</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>62,881</u>	<u>54,858</u>
Defined benefit pension scheme liability	20		<u>(9,608)</u>	<u>(4,008)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>53,273</u>	<u>50,850</u>
CAPITAL AND RESERVES				
Called-up equity share capital	24		5,000	5,000
Profit and loss account	25		<u>48,273</u>	<u>45,850</u>
SHAREHOLDER'S FUNDS	26		<u>53,273</u>	<u>50,850</u>

These accounts were approved and signed by the director and authorised for issue on 20 August 2015.



 Mr C R Duncan

The notes on pages 11 to 30 form part of these financial statements.

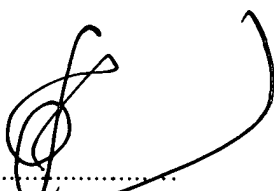
NUMATIC INTERNATIONAL LIMITED

BALANCE SHEET

31 DECEMBER 2014

		2014		2013
	Note	£000	£000	£000
FIXED ASSETS				
Intangible assets	11		81	89
Tangible assets	12		24,656	24,027
Investments	13		<u>10,167</u>	<u>10,167</u>
			<u>34,904</u>	<u>34,283</u>
CURRENT ASSETS				
Stocks	14	14,730		13,281
Debtors	15	18,645		19,143
Cash at bank		<u>18,769</u>		<u>15,209</u>
		52,144		47,633
CREDITORS: Amounts falling due within one year	17	<u>16,047</u>		<u>17,487</u>
NET CURRENT ASSETS			<u>36,097</u>	<u>30,146</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>71,001</u>	<u>64,429</u>
CREDITORS: Amounts falling due after more than one year	18		3,933	3,952
PROVISIONS FOR LIABILITIES				
Deferred taxation	16		<u>133</u>	<u>119</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>66,935</u>	<u>60,358</u>
Defined benefit pension scheme liability	20		<u>(9,608)</u>	<u>(4,008)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>57,327</u>	<u>56,350</u>
CAPITAL AND RESERVES				
Called-up equity share capital	24		5,000	5,000
Profit and loss account	25		<u>52,327</u>	<u>51,350</u>
SHAREHOLDER'S FUNDS			<u>57,327</u>	<u>56,350</u>

These accounts were approved and signed by the director and authorised for issue on 20 August 2015.



.....
Mr G.R. Duncan

Company Registration Number: 773331

The notes on pages 11 to 30 form part of these financial statements.

NUMATIC INTERNATIONAL LIMITED

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	2013 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	27	11,793	10,173
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	27	(192)	(378)
TAXATION	27	(2,005)	(2,005)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	27	(3,514)	(2,253)
CASH INFLOW BEFORE FINANCING		<u>6,082</u>	<u>5,537</u>
FINANCING	27	(550)	82
INCREASE IN CASH	27	<u>5,532</u>	<u>5,619</u>

The notes on pages 11 to 30 form part of these financial statements.

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 15 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	- 5 or 15 years
Patents	- Between 10 and 20 years straight line

Fixed assets

All fixed assets are initially recorded at cost.

NUMATIC INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2% per annum straight line (France 15 years)
Plant & Machinery	-	On a straight line monthly basis over the first 6 years to 10% of cost, thereafter its value in use is reassessed on an annual basis and 20% reducing balance (France over 5 and 10 years straight line)
Computer Equipment	-	On a straight line basis over the first 3 years to 10% of cost, thereafter its value in use is reassessed on an annual basis (France between 3 and 5 years straight line)
Motor Vehicles	-	20%-33% per annum straight line
Tooling	-	On a straight line monthly basis over 4 to 10 years

Stocks

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

Work in progress

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the group.

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to the profit and loss account. Past service costs are recognised over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the profit and loss account during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount in the profit and loss account as other finance costs or income. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES *(continued)*

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. Pension scheme deficits are recognised in full on the balance sheet, net of related deferred tax.

The overseas subsidiary undertakings make contributions (where applicable) on behalf of their employees into private funds, contributions to these schemes are charged to the profit and loss account as they are incurred.

The parent undertaking also operates a defined contribution self-administered scheme for directors, contributions to this scheme are charged to the profit and loss account as they are incurred.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the director considers that it is 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Investments

Investments held as fixed assets are stated at cost, provision is made for impairment where there is felt to be a permanent diminution in value of the underlying net assets.

2. TURNOVER

The turnover for the year was derived from the group's principal activity. In the opinion of the director all geographical markets are supplied under similar terms conditions and prices, and the products supplied form one class of business. Inter group trading is eliminated on consolidation. The director considers that any further disclosure in terms of turnover analysis would be commercially sensitive and therefore prejudicial to the group.

3. OTHER OPERATING INCOME

	2014	2013
	£000	£000
Other operating income	92	187
	<u> </u>	<u> </u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2014	2013
	£000	£000
Amortisation of intangible assets	18	18
Depreciation of owned fixed assets	2,740	2,322
Profit on disposal of fixed assets	(28)	(35)
Operating lease costs:		
- Plant and equipment	358	360
Net loss on foreign currency translation	20	270
Auditor's remuneration - audit of the financial statements	64	64
Auditor's remuneration - other fees	74	99
Provision for losses in Numatic International SAS	(5)	-
	<u> </u>	<u> </u>

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

4. OPERATING PROFIT *(continued)*

Stewart & Co

	2014	2013
	£000	£000
Auditor's remuneration - audit of the financial statements	64	64
	<u> </u>	<u> </u>

Overseas auditors

	2014	2013
	£000	£000
Auditor's remuneration - other fees:		
- Local statutory audit of subsidiary	74	99
	<u> </u>	<u> </u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2014	2013
	No	No
Number of production staff	665	651
Number of administrative staff	242	234
	<u> </u>	<u> </u>
	907	885
	<u> </u>	<u> </u>

The aggregate payroll costs of the above were:

	2014	2013
	£000	£000
Wages and salaries	29,917	28,420
Social security costs	1,895	1,817
Other pension costs	1,221	1,648
	<u> </u>	<u> </u>
	33,033	31,885
	<u> </u>	<u> </u>

Other pension costs are amounts charged to operating profit and do not include amounts credited to finance income and charged to finance costs (see note 8), and amounts recognised in the statement of recognised gains and losses.

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

6. DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services were:

	2014	2013
	£000	£000
Remuneration receivable	520	440

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£000	£000
Other similar charges payable	218	403

8. OTHER FINANCE COSTS

	2014	2013
	£000	£000
Net finance costs in respect of defined benefit pension schemes	(499)	(265)

9. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014	2013
	£000	£000
Current tax:		

UK Taxation

In respect of the year:

UK Corporation tax based on the results for the year at 21% (2013 – 23%)	1,348	1,808
Over provision in prior year	(192)	—
	1,156	—

Foreign tax

Current tax on income for the year	328	386
Total current tax	1,484	2,194

Deferred tax:

Origination and reversal of timing differences	(36)	219
Tax on profit on ordinary activities	1,448	2,413

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

9. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2013 -23%).

	2014	2013
	£000	£000
Profit on ordinary activities before taxation	10,850	10,049
Profit on ordinary activities by rate of tax	2,279	2,311
Expenses not deductible for tax purposes	46	39
Capital allowances for period in excess of depreciation	36	38
Tax chargeable at higher rates	37	19
Adjustment to tax charge in respect of previous periods	(192)	-
Overseas taxation	328	386
Tax adjustment for overseas subsidiaries	(379)	(166)
Tax adjustment for pension costs under FRS17	(274)	(224)
Sundry tax adjusting items	(397)	(209)
Total current tax (note 9(a))	1,484	2,194

10. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £7,620,000 (2013 - £7,296,000).

11. INTANGIBLE FIXED ASSETS

Group	Patents
	£000
COST	
At 1 January 2014	168
Exchange adjustments	(1)
At 31 December 2014	167
AMORTISATION	
At 1 January 2014	61
Charge for the year	18
Exchange adjustments	(1)
At 31 December 2014	78
NET BOOK VALUE	
At 31 December 2014	89
At 31 December 2013	107

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

11. INTANGIBLE FIXED ASSETS *(continued)*

Company	Patents £000
COST	
At 1 January 2014 and 31 December 2014	136
	<hr style="width: 100%;"/>
AMORTISATION	
At 1 January 2014	47
Charge for the year	8
	<hr style="width: 100%;"/>
At 31 December 2014	55
	<hr style="width: 100%;"/>
NET BOOK VALUE	
At 31 December 2014	81
	<hr style="width: 100%;"/>
At 31 December 2013	89
	<hr style="width: 100%;"/>

NUMATIC INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

12. TANGIBLE FIXED ASSETS

Group	Freehold Property £000	Plant & Machinery £000	Fixtures & Fittings £000	Motor Vehicles £000	Tooling £000	Total £000
COST						
At 1 Jan 2014	27,545	13,036	3,891	657	8,145	53,274
Additions	134	1,637	485	169	1,185	3,610
Disposals	–	(716)	(59)	(46)	(1)	(822)
Exchange adjustments	(350)	(133)	(66)	(109)	(3)	(661)
At 31 Dec 2014	<u><u>27,329</u></u>	<u><u>13,824</u></u>	<u><u>4,251</u></u>	<u><u>671</u></u>	<u><u>9,326</u></u>	<u><u>55,401</u></u>
DEPRECIATION						
At 1 Jan 2014	5,889	9,129	2,878	459	5,567	23,922
Charge for the year	566	962	286	206	720	2,740
On disposals	–	(662)	–	(92)	–	(754)
Exchange adjustments	(94)	(70)	(45)	(98)	(1)	(308)
At 31 Dec 2014	<u><u>6,361</u></u>	<u><u>9,359</u></u>	<u><u>3,119</u></u>	<u><u>475</u></u>	<u><u>6,286</u></u>	<u><u>25,600</u></u>
NET BOOK VALUE						
At 31 Dec 2014	<u><u>20,968</u></u>	<u><u>4,465</u></u>	<u><u>1,132</u></u>	<u><u>196</u></u>	<u><u>3,040</u></u>	<u><u>29,801</u></u>
At 31 Dec 2013	<u><u>21,656</u></u>	<u><u>3,907</u></u>	<u><u>1,013</u></u>	<u><u>198</u></u>	<u><u>2,578</u></u>	<u><u>29,352</u></u>

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

12. TANGIBLE FIXED ASSETS *(continued)*

Company	Freehold Property £000	Plant & Machinery £000	Fixtures & Fittings £000	Motor Vehicles £000	Tooling £000	Total £000
COST						
At 1 Jan 2014	22,343	11,057	2,795	53	8,018	44,266
Additions	96	1,089	380	-	1,182	2,747
Disposals	-	(592)	-	-	-	(592)
At 31 Dec 2014	<u>22,439</u>	<u>11,554</u>	<u>3,175</u>	<u>53</u>	<u>9,200</u>	<u>46,421</u>
DEPRECIATION						
At 1 Jan 2014	4,498	8,079	2,123	51	5,488	20,239
Charge for the year	427	666	286	1	712	2,092
On disposals	-	(566)	-	-	-	(566)
At 31 Dec 2014	<u>4,925</u>	<u>8,179</u>	<u>2,409</u>	<u>52</u>	<u>6,200</u>	<u>21,765</u>
NET BOOK VALUE						
At 31 Dec 2014	<u>17,514</u>	<u>3,375</u>	<u>766</u>	<u>1</u>	<u>3,000</u>	<u>24,656</u>
At 31 Dec 2013	<u>17,845</u>	<u>2,978</u>	<u>672</u>	<u>2</u>	<u>2,530</u>	<u>24,027</u>

13. INVESTMENTS

Company	Group companies £000
COST	
At 1 January 2014 and 31 December 2014	<u>10,167</u>
NET BOOK VALUE	
At 31 December 2014 and 31 December 2013	<u>10,167</u>

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
All held by the company:				
Numatic International SAS	France	Ordinary shares	100%	Sales and distribution
Numatic International GmbH	Germany	Ordinary shares	100%	Sales and distribution
Numatic International B.V.	Holland	Ordinary shares	100%	Sales and distribution
Numatic International (Proprietary) Ltd	South Africa	Ordinary shares	100%	Sales and distribution
Numatic International Schweiz AG	Switzerland	Ordinary shares	100%	Sales and distribution

It must be emphasised that in aggregate the value of the investments in Numatic International SAS, Numatic International B.V. and Numatic International (Proprietary) Ltd are disproportionate to their net asset value by £6,414,000. It is the company's policy to fully capitalise start up costs, working capital requirements and wherever possible the provision of freehold premises. All subsidiaries are held for the long term and are expected, if they are not already, to provide a meaningful return on the capital employed. Furthermore the net asset values of the subsidiary undertakings do not include internally generated goodwill. Accordingly no impairments have been made.

All subsidiary undertakings are involved in the sale and distribution of group and associated products.

All subsidiary undertakings are included in the consolidated accounts.

14. STOCKS

	Group		Company	
	2014	2013	2014	2013
	£000	£000	£000	£000
Raw materials	11,005	8,762	11,005	8,762
Work in progress	1,062	1,096	1,062	1,096
Finished goods	7,990	8,601	2,633	3,393
Small tools	30	30	30	30
	<u>20,087</u>	<u>18,489</u>	<u>14,730</u>	<u>13,281</u>

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

15. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£000	£000	£000	£000
Trade debtors	15,352	14,597	9,789	9,302
Amounts owed by group undertakings	-	-	8,279	9,139
Other debtors	2,708	3,472	-	-
Deferred taxation (Note 16)	134	-	-	-
Prepayments and accrued income	661	789	577	702
	<u>18,855</u>	<u>18,858</u>	<u>18,645</u>	<u>19,143</u>

16. DEFERRED TAXATION

The movement in the deferred taxation asset during the year was:

	Group		Company	
	2014	2013	2014	2013
	£000	£000	£000	£000
Provision brought forward	(168)	(129)	(119)	(111)
Increase/(Decrease) in asset	302	(39)	(14)	(8)
Asset/Provision carried forward	<u>134</u>	<u>(168)</u>	<u>(133)</u>	<u>(119)</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2014		2013	
	Provided	Unprovided	Provided	Unprovided
	£000	£000	£000	£000
Excess of taxation allowances over depreciation on fixed assets	(133)	-	(119)	-
Other timing differences	267	-	(49)	-
	<u>134</u>	<u>-</u>	<u>(168)</u>	<u>-</u>

The company's asset for deferred taxation consists of the tax effect of timing differences in respect of:

Company	2014		2013	
	Provided	Unprovided	Provided	Unprovided
	£000	£000	£000	£000
Excess of taxation allowances over depreciation on fixed assets	(133)	-	(119)	-

NUMATIC INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

17. CREDITORS: Amounts falling due within one year

	Group		Company	
	2014 £000	2013 £000	2014 £000	2013 £000
Overdrafts	623	2,266	108	1,763
Trade creditors	8,768	8,153	7,983	7,500
Other creditors including taxation:				
Corporation tax	436	952	436	1,008
Other taxation	1,746	1,459	1,558	1,304
Other creditors	1,175	1,251	-	3
Accruals and deferred income	6,270	6,192	5,962	5,909
	<u>19,018</u>	<u>20,273</u>	<u>16,047</u>	<u>17,487</u>

18. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2014 £000	2013 £000	2014 £000	2013 £000
Bank loans	<u>5,394</u>	<u>5,944</u>	<u>3,933</u>	<u>3,952</u>

19. OTHER PROVISIONS

	Group		Company	
	2014 £000	2013 £000	2014 £000	2013 £000
Other provisions:	<u>1,798</u>	<u>1,933</u>	<u>-</u>	<u>-</u>

During 2009 irregular activities by former management were identified in Numatic International SAS, a wholly owned subsidiary incorporated in France, and there are currently legal proceedings in progress alleging the misappropriation of the subsidiary's assets, where the company is the claimant. The value of the assets that the company is trying to recover stands at £2,525,000, for which full provision was made in the financial statements for the year ended 31 December 2008. This figure consists of several transactions covering the two periods preceding this date. The results included in these financial statements in respect of Numatic International SAS are a £254,000 gain (2013: £324,000 gain) and £2,160,000 net assets (2013: £2,043,000 net assets). This is after a £5,000 gain (2013: £nil gain) and net liability £1,798,000 (2013: £1,933,000) in respect of the provision.

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

20. PENSIONS AND OTHER POST RETIREMENT BENEFITS

The group operates a number of pension schemes for its employees.

Defined benefit pension scheme (company only)

Employees contribute 7% of salary (2013: 7%) with the balance of required contributions being met by the company (15% of pensionable salaries at the balance sheet date). An actuary reviews the assets and liabilities of the scheme on a triennial basis for funding purposes, the last valuation being as at 1 April 2012. Interim valuations will continue to be performed at the end of each accounting year for the purposes of FRS 17 disclosures.

The actuarial assessment considers the assets and liabilities at the date of calculation and forecasts assets and liabilities in the future according to a set of assumptions, the most important of which are the rate of return on the assets and the rate of increase in remuneration and pensions.

At the date of the last full valuation in 2012, the actuarial valuation of the assets was £36,014,000 and of the liabilities £43,670,000, representing a shortfall of £7,656,000 and a funding level of 82%. This underfunding is being reduced by adjusting the employer's deficit-contribution £729,000 per annum (increasing by 3% compound on 1 January 2015 and each subsequent 1 January) for the year to 31 December 2014 and thereafter. The employer's contribution to provide benefits accruing in the future was adjusted to 15% of pensionable salaries.

The position will be reviewed at the next actuarial valuation, which should have an effective date not more than three years from the date of the latest valuation.

The amounts recognised in the profit and loss account are as follows:

	2014 £000	2013 £000
<i>Amounts credited to operating profit:</i>		
Current service cost	(906)	(981)
Total operating credit	<u>(906)</u>	<u>(981)</u>
<i>Amounts included in other finance cost:</i>		
Expected return on scheme assets	2,687	2,208
Interest on scheme liabilities	(2,188)	(1,943)
Other finance cost	<u>499</u>	<u>265</u>
Total credit to the profit and loss account	<u>(407)</u>	<u>(716)</u>

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

20. PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

The total operating credit is recognised in the following line items in the profit and loss account:

	2014 £000	2013 £000
Cost of sales	<u>(1,303)</u>	<u>(976)</u>
Total operating credit	<u>(1,303)</u>	<u>(976)</u>

Other finance cost is included in the profit and loss account within interest payable and similar charges.

Actuarial losses of £(8,240,000) (2013: gains £188,000) have been recognised in the statement of total recognised gains and losses.

The amounts recognised in the balance sheet are as follows:

	2014 £000	2013 £000
Present value of unfunded obligations	<u>(12,010)</u>	<u>(5,073)</u>
Related deferred tax asset	<u>2,402</u>	<u>1,065</u>
Net pension liability	<u>(9,608)</u>	<u>(4,008)</u>

Changes in the present value of the defined benefit obligation scheme are as follows:

	2014 £000	2013 £000
Opening defined benefit obligation	47,909	43,974
Current service cost	906	981
Interest on scheme liabilities	2,188	1,943
Actuarial loss	9,982	1,612
Contributions by scheme participants	456	464
Benefits paid	<u>(1,153)</u>	<u>(1,065)</u>
Closing defined benefit obligation	<u>60,288</u>	<u>47,909</u>

The defined benefit obligation may be analysed between wholly unfunded and wholly or partly funded schemes as follows:

	2014 £000	2013 £000
Funded	48,278	42,836
Unfunded	<u>12,010</u>	<u>5,073</u>
	<u>60,288</u>	<u>47,909</u>

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

20. PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

Changes in the fair value of scheme assets are as follows:

	2014	2013
	£000	£000
Opening fair value of scheme assets	42,836	37,737
Expected return on scheme assets	2,687	2,208
Contributions by scheme participants	456	464
Actuarial gain	1,742	1,800
Benefits paid	(1,153)	(1,065)
Other	1,710	1,692
Closing fair value of scheme assets	<u>48,278</u>	<u>42,836</u>

The fair value of the major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
	%	%
European equities	79.00	81.00
European bonds	20.00	18.00
Cash	1.00	1.00

The principal actuarial assumptions as at the balance sheet date were:

	2014	2013
	%	%
Discount rate	3.70	4.60
Expected return on scheme assets	5.80	6.20
Rate of increase in salaries	3.60	3.90
Rate of increase in pensions in payment	3.10	3.30
Inflation	3.10	3.40

Amounts for the current and previous four periods are as follows:

	2014	2013	2012	2011	2010
	£000	£000	£000	£000	£000
Defined benefit obligation	(60,288)	(47,909)	(43,974)	(40,544)	(36,778)
Fair value of scheme assets	48,278	42,836	37,737	34,404	32,228
Deficit in the scheme	<u>(12,010)</u>	<u>(5,073)</u>	<u>(6,237)</u>	<u>(6,140)</u>	<u>(4,550)</u>

Other pension schemes

The overseas subsidiary undertakings make contributions into employees' personal pension schemes.

Total pension costs

The pension cost charge represents contributions payable by the group to the funds and amounted to £2,165,000 (2013: £1,649,000), including contributions payable by overseas subsidiary undertakings.

All contributions deducted from employees and payable by the employer have been paid to the UK schemes.

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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21. SECURITY

Bank borrowings covering the bank treasury loan and the overdraft facility are secured by specific legal charges over freehold land and property.

22. COMMITMENTS UNDER OPERATING LEASES

At 2014 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2014		2013	
	Land and buildings £000	Other items £000	Land and buildings £000	Other items £000
Operating leases which expire:				
Within 1 year	212	272	204	405
Within 2 to 5 years	469	578	704	513
After more than 5 years	-	1	-	21
	<u>681</u>	<u>851</u>	<u>908</u>	<u>939</u>

23. RELATED PARTY TRANSACTIONS

The company was under the control of Mr C R Duncan throughout the current and previous year. Mr C R Duncan is the director and sole shareholder.

24. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£000	No	£000
Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000</u>	<u>5,000,000</u>	<u>5,000</u>

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

25. RESERVES

Group	Profit and loss account
	£000
Balance brought forward	45,850
Profit for the year	9,402
Exchange differences on retranslation of net assets of subsidiary undertakings	(336)
Defined benefit pension scheme	<u>(6,643)</u>
Balance carried forward	<u>48,273</u>
Company	Profit and loss account
	£000
Balance brought forward	51,350
Profit for the year	7,620
Defined benefit pension scheme	<u>(6,643)</u>
Balance carried forward	<u>52,327</u>

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014	2013
	£000	£000
Profit for the financial year	9,402	7,636
Defined benefit pension scheme	(6,643)	24
Exchange differences on retranslation of net assets of subsidiary undertakings	<u>(336)</u>	<u>(364)</u>
Net addition to shareholder's funds	2,423	7,296
Opening shareholder's funds	<u>50,850</u>	<u>43,554</u>
Closing shareholder's funds	<u>53,273</u>	<u>50,850</u>

NUMATIC INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

27. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£000	£000
Operating profit	11,541	10,692
Amortisation	18	18
Depreciation	2,740	2,322
Profit on disposal of fixed assets	(28)	(35)
Increase in stocks	(1,598)	(3,001)
Decrease/(Increase) in debtors	131	(1,090)
Increase in creditors	904	2,777
(Decrease)/increase in provisions	(129)	32
Exchange differences arising on consolidation	(336)	(364)
Exchange rate adjustments on fixed assets	352	63
FRS17 adjustment reversal	(1,802)	(1,241)
Net cash inflow from operating activities	<u>11,793</u>	<u>10,173</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014	2013
	£000	£000
Interest received	26	25
Interest paid	(218)	(403)
Net cash outflow from returns on investments and servicing of finance	<u>(192)</u>	<u>(378)</u>

TAXATION

	2014	2013
	£000	£000
Taxation	<u>(2,005)</u>	<u>(2,005)</u>

CAPITAL EXPENDITURE

	2014	2013
	£000	£000
Payments to acquire intangible fixed assets	-	(1)
Payments to acquire tangible fixed assets	(3,610)	(2,304)
Receipts from sale of fixed assets	96	52
Net cash outflow from capital expenditure	<u>(3,514)</u>	<u>(2,253)</u>

NUMATIC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

27. NOTES TO THE CASH FLOW STATEMENT *(continued)*

FINANCING

	2014	2013
	£000	£000
(Repayment of)/increase in bank loans	(550)	82
Net cash (outflow)/inflow from financing	(550)	82

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2014		2013
	£000	£000	£000
Increase in cash in the period	5,532		5,619
Net cash outflow from/(inflow) from bank loans	550		(82)
		6,082	5,537
Change in net funds		6,082	5,537
Net funds at 1 January 2014		8,160	2,623
Net funds at 31 December 2014		14,242	8,160

ANALYSIS OF CHANGES IN NET FUNDS

	At		At
	1 Jan 2014	Cash flows	31 Dec 2014
	£000	£000	£000
Net cash:			
Cash in hand and at bank	16,370	3,889	20,259
Overdrafts	(2,266)	1,643	(623)
	14,104	5,532	19,636
Debt:			
Debt due after 1 year	(5,944)	550	(5,394)
Net funds	8,160	6,082	14,242