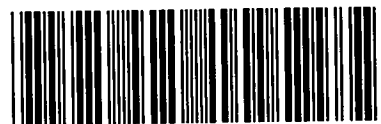


**COMPANY REGISTRATION NUMBER 958139**

**WIPAC LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**31 MARCH 2014**

**SATURDAY**



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**COMPANIES HOUSE**

# **WIPAC LIMITED**

## **ACCOUNTS**

**YEAR ENDED 31 MARCH 2014**

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# **WIPAC LIMITED**

## **COMPANY INFORMATION**

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### **The board of directors**

Mr N E Sibley  
Mr R J Brooksbank  
Mr P Dobbie  
Mr M T Greenrod  
Mr M A Ross  
Mr D R W Benton  
Mr C J Malley  
Mr D Hickson

### **Company secretary**

Mr E Cook

### **Registered office**

London Road  
Buckingham  
MK18 1BH

### **Auditor**

KPMG LLP  
Statutory Auditor  
Chartered Accountants  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

# **WIPAC LIMITED**

## **STRATEGIC REPORT**

**YEAR ENDED 31 MARCH 2014**

---

### **PRINCIPAL ACTIVITIES**

The company's principal activity during the year was the manufacture of automotive lighting and LED products.

### **BUSINESS MODEL**

The company's strategy is to develop new technologies and products to drive future growth on a global scale. The long term strategic intent is to achieve sustainable earnings growth for the company's shareholders whilst providing innovative and effective solutions for our customers.

This will be achieved by these three key tenets.

#### **Innovation -**

Identification of the best new technologies and methodologies to generate innovative solutions in order to introduce new products or to improve current production methods.

#### **Manufacturing -**

Development of the innovations alongside our existing capabilities to generate solutions and opportunities for our customers.

#### **Customer Service -**

Use of the Carclo group's global manufacturing network and scale to match customer requirements leading to maximised earnings for all involved.

### **BUSINESS REVIEW AND RESULTS**

Turnover at £26,841,608 increased from the prior year (2013: £19,659,969). Operating profit before exceptional items increased to of £1,987,940 (2013: £1,707,744).

The financial position at the year end remained strong with net current assets of £2,239,062 (2013: £5,100,221) and net assets of £8,769,323 (2013: £7,669,071).

The company enjoyed growth in supercar lighting and the smaller LED Optics area which transferred into the company from other parts of the Carclo group on 1st April 2013 along with associated tangible fixed assets acquired for £570,634.

The company succeeded in launching its LED dip beam light into the supercar market and this continues to create additional opportunities. It has continued to win new business from its new and existing major supercar lighting customers.

The strategy for LED Optics has been realigned to provide a greater focus on developing and supplying bespoke 'cluster' optics for major OEMs rather than smaller individual optics. This strategy has been successful and a number of OEM programmes have been brought to market during the year which has generated good growth.

Since the year end the business has been awarded four new design wins and this will support the strong growth expectations for the company. LED Optics has continued to trade well and it has now been relocated to new premises in Aylesbury alongside the smaller aftermarket businesses.

### **KEY PERFORMANCE INDICATORS**

Turnover increased by 36.5% compared to the prior year.

Operating profit margin decreased slightly to 7.4% (2013 - 8.2%).

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# **WIPAC LIMITED**

## **STRATEGIC REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2014**

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### **PRINCIPAL RISKS AND UNCERTAINTIES**

The major risk to the company is exposure to one major customer. This risk is being reduced as the company broadens its customer base. There is also risk involved with developing new products and great care is taken to ensure that they are fully developed before being launched onto the market. Rates of exchange on foreign currencies affect the cost of bought in components and materials.

### **FUTURE DEVELOPMENTS**

The new supercar lighting programmes are now in the design phase and will flow through into manufacturing in around two to three years. These new contracts represent a significant step forward for our business, as whilst the vehicle production numbers are modest across this segment (normally lower than 10,000 vehicles per annum per model), the number of models that we will be manufacturing represents a step change on any previous levels. We are therefore investing approximately £4.0 million over the next two years into our Buckingham facilities to ensure that we have the manufacturing and efficiency capabilities to meet our customers' highly demanding expectations. We have recently installed additional capabilities including a further two shot moulding machine as well as a state of the art UV coating line. We are serving some of the most advanced and demanding customers in the world and it is essential that our facility meets their expectations in order that we can continue to develop and grow in the markets which we serve. We are increasing our research investment into next generation lighting technologies as we enter long-term development partnerships with several of our customers in order to drive further growth in this business.

We aim to have a truly world class manufacturing operation as we believe that we can continue to grow strongly within the supercar segment. We now service most of the leading iconic automotive brands and have focused heavily during the year on building more strategic relationships with our key customers to ensure our own lighting research and development activities and theirs are well aligned. Revenue on new programs is recognised throughout the design and manufacturing start-up phase before moving to more traditional piece part pricing and as such we have good visibility over the coming years of how this business is likely to grow. We are also investing in new ranges of innovative optics enabling both a class leading performance as well as the ability to create custom light clusters which utilise these optics in a low cost modular format.

Signed by order of the directors



MR E COOK  
Company Secretary

Approved by the directors on 17 December 2014

# **WIPAC LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31 MARCH 2014**

---

The directors present their report and the accounts of the company for the year ended 31 March 2014.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £1,350,252 (2013: £1,021,801 profit). Particulars of dividends paid are detailed in note 9 to the accounts.

#### **STRATEGIC REPORT**

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

#### **DIRECTORS**

The directors who served the company during the year were as follows:

Mr N E Sibley  
Mr R J Brooksbank  
Mr P Dobbie  
Mr S Dollmann  
Mr M T Greenrod  
Mr M A Ross  
Mr D R W Benton  
Mr C J Malley  
Mr D Hickson

Mr D Hickson was appointed as a director on 29 July 2013.

Mr S Dollmann retired as a director on 31 July 2013.

#### **POLICY ON THE PAYMENT OF CREDITORS**

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with. No code or standard is followed.

At 31 March 2014 the company had an average of 27 (31 March 2013 - 49) days' purchases outstanding in trade creditors.

# WIPAC LIMITED

## DIRECTORS' REPORT *(continued)*

**YEAR ENDED 31 MARCH 2014**

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### AUDITOR

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

Each of the persons who is a director at the date of approval of this report confirm that:

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

Registered office:  
London Road  
Buckingham  
MK18 1BH

Signed by order of the directors



MR E COOK  
Company Secretary

Approved by the directors on 17 December 2014

# **WIPAC LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**YEAR ENDED 31 MARCH 2014**

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The directors are responsible for preparing the Strategic Report, Directors' Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 year.

In preparing these accounts, the directors are 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 accounts;
- prepare the accounts 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 accounts 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.



# **WIPAC LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIPAC LIMITED**

### **YEAR ENDED 31 MARCH 2014**

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We have audited the accounts of Wipac Limited for the year ended 31 March 2014 as set out on pages 9 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 6, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the accounts 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 ACCOUNTS**

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 ACCOUNTS**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 March 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 accounts are prepared is consistent with the accounts.

# WIPAC LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIPAC LIMITED (continued)

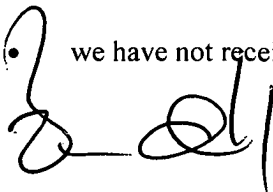
YEAR ENDED 31 MARCH 2014

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### 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 accounts 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.



MIKE BARRADELL (Senior Statutory Auditor)

For and on behalf of

KPMG LLP

Statutory Auditor

Chartered Accountants

1 The Embankment

Neville Street

Leeds

LS1 4DW

19 December 2014

**WIPAC LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2014**

---

	Note	2014 £	2013 £
<b>TURNOVER</b>	<b>2</b>	<b>26,841,608</b>	<b>19,659,969</b>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>1,987,940</b>	<b>1,612,940</b>
Attributable to:			
Operating profit before exceptional items		<b>1,987,940</b>	1,707,744
Exceptional items	<b>4</b>	—	(94,804)
		<b>1,987,940</b>	<b>1,612,940</b>
Interest payable and similar charges	<b>7</b>	<b>(839)</b>	<b>(4,085)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,987,101</b>	<b>1,608,855</b>
Tax on profit on ordinary activities	<b>8</b>	<b>(636,849)</b>	<b>(587,054)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>1,350,252</u></b>	<b><u>1,021,801</u></b>

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

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 11 to 23 form part of these accounts.

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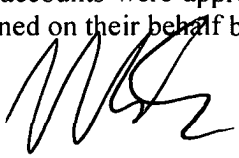
# WIPAC LIMITED

## BALANCE SHEET

31 MARCH 2014

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Intangible assets	10	614,471	718,734
Tangible assets	11	5,915,790	5,165,870
		<u>6,530,261</u>	<u>5,884,604</u>
<b>CURRENT ASSETS</b>			
Stocks	12	2,970,599	2,727,351
Debtors	13	5,775,791	5,295,758
Cash in hand		3,520,702	1,098,924
		<u>12,267,092</u>	<u>9,122,033</u>
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>(10,028,030)</u>	<u>(4,021,812)</u>
<b>NET CURRENT ASSETS</b>		<u>2,239,062</u>	<u>5,100,221</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,769,323</u>	<u>10,984,825</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	16	–	(3,315,754)
<b>NET ASSETS</b>		<u>8,769,323</u>	<u>7,669,071</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	20	2,000,000	2,000,000
Profit and loss account	21	6,769,323	5,669,071
<b>SHAREHOLDERS' FUNDS</b>	22	<u>8,769,323</u>	<u>7,669,071</u>

These accounts were approved by the directors and authorised for issue on 17 December 2014, and are signed on their behalf by:

  
MR N E SIBLEY  
Director

Company Registration Number: 958139

The notes on pages 11 to 23 form part of these accounts.

# **WIPAC LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2014**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

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

On the basis of their assessment of the company's financial position and of its forecast future performance, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Cash flow statement**

As permitted by FRS 1 (revised 1996) - 'Cash Flow Statements', the accounts do not include a cash flow statement on the grounds that the company is a wholly owned subsidiary undertaking and the ultimate holding company includes the company in its own published consolidated accounts.

#### **Related party transactions**

The company has taken advantage of the exemption to FRS 8 from disclosing transactions with related parties that are subsidiaries of Carclo plc.

#### **Turnover**

Revenue from the sale of goods is recognised in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or if there is continuing managerial involvement with the goods.

With regards to sub contract tooling contracts, the company uses the "percentage of completion method" to determine the appropriate amount of revenue to be recognised in a given period when the outcome can be estimated reliably. Costs incurred to date as a percentage of total cost of completion represent the "percentage cost of completion". Costs on such tooling contracts are recognised when incurred, unless they create an asset related to future activity on the contract. When it is probable that the total costs of a contract will exceed the total revenue, then the loss is recognised as an expense immediately.

#### **Research and development**

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred. Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to exceed related future sales and adequate resources exist to enable the project to be completed. Any such carried forward development expenditure is amortised from the date upon which it becomes available for use over a period of up to 12 years.

# WIPAC LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2014

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### 1. ACCOUNTING POLICIES *(continued)*

#### **Goodwill**

Goodwill, which represents the excess of cost of acquisitions of businesses over the value attributed to their net assets, is amortised through the profit and loss account by equal instalments over its estimated useful life of up to a maximum of 20 years. Provision is made for any impairment.

#### **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%
----------	------

#### **Fixed assets**

Fixed assets, including land and buildings, are shown at cost.

#### **Depreciation**

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

Freehold Buildings	- 2%
Plant & Machinery	- 10 - 20%
Motor Vehicles	- 25%

Freehold land is not depreciated.

Provision is made for any impairment.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value, with due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress cost comprises direct materials, direct labour and an appropriate proportion of manufacturing overhead expenses.

#### **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.

# **WIPAC LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2014**

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### **1. ACCOUNTING POLICIES** *(continued)*

#### **Pensions**

The company participates in a group wide pension scheme, Carclo Group Pension Scheme, providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### **Taxation**

Current 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 taxation is recognised on a liability or asset if the transactions or events that give rise to an obligation to pay more tax in the future or a right to pay less tax in future have occurred by the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which 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 substantially enacted at the balance sheet date.

#### **Foreign currencies**

Normal trading activities denominated in foreign currencies are recorded in sterling at actual exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end, except where they are covered by forward contracts in which case the rate appropriate to the forward contracts is used.

# WIPAC LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2014

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### 1. ACCOUNTING POLICIES *(continued)*

#### Financial instruments

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

#### Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the accounts.

### 2. TURNOVER

Turnover is attributable to one continuing activity, the manufacture of lighting components. An analysis of turnover is given below:

	2014	2013
	£	£
United Kingdom	14,808,639	10,754,724
Rest of Europe	10,747,650	8,438,643
Rest of World	1,285,319	466,602
	<u>26,841,608</u>	<u>19,659,969</u>



# WIPAC LIMITED

## NOTES TO THE ACCOUNTS

### YEAR ENDED 31 MARCH 2014

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#### 3. OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS AND TAXATION

The operating profit before exceptional items and taxation is arrived at as follows:

	2014 £	2013 £
Turnover	26,841,608	19,659,969
Finished goods and work in progress stock change	248,506	17,647
Raw materials and consumables	(16,181,909)	(11,076,129)
Employee costs (note 5)	(5,070,182)	(3,841,886)
Depreciation (note 11)	(690,332)	(496,788)
Amortisation (note 10)	(104,263)	(90,663)
Redundancies	(1,069)	-
Research and development expenditure	(307,000)	(321,000)
Operating lease rentals - plant and machinery	(110,805)	(93,122)
Auditor remuneration - audit work	(12,237)	(12,000)
Management charge	(232,500)	(229,050)
Other operating charges	(2,391,877)	(1,809,234)
	<u>1,987,940</u>	<u>1,707,744</u>

#### 4. EXCEPTIONAL ITEMS

During the year ended 31 March 2012 negotiations with Ford to exit their volume automotive communication business were completed. No exceptional profit or losses on disposal of the remaining assets have been recognised during the current year (2013 - £91,354 net charge).

Nil exceptional rationalisation costs were incurred during the year (2013 - £3,450).

#### 5. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company during the financial year, including the directors, amounted to 180 (2013 - 177).

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	4,546,442	3,441,859
Social security costs	409,134	315,111
Other pension costs	114,606	84,916
	<u>5,070,182</u>	<u>3,841,886</u>

In addition redundancy payments of £1,049 were made (2013 - £3,450) which are excluded from the above analysis.

# WIPAC LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2014

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### 6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2014	2013
	£	£
Remuneration receivable	<u>735,246</u>	<u>643,726</u>

#### Remuneration of highest paid director:

	2014	2013
	£	£
Total remuneration (excluding pension contributions)	<u>209,467</u>	<u>217,967</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2014	2013
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

Mr R J Brooksbank and Mr C J Malley were also directors of the holding company and fellow subsidiary undertakings. During their tenure as directors of the company these directors received remuneration of £471,000 (2013 - £164,121), all of which was paid by the holding company. In addition these directors received 35,000 shares in the holding company on the vesting of the PSP 2010 award (2013 - 129,000 shares). The market price of the company's ordinary shares at the date of the vesting was 352p. The directors do not believe that it is practicable to apportion this amount between their service as directors of the holding company and the fellow subsidiary undertakings.

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Interest payable on bank borrowing	<u>839</u>	<u>4,085</u>

# WIPAC LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2014

### 8. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 23% (2013 - 24%)	579,186	482,674
Adjustments in respect of prior years	-	185,759
Total current tax charge	579,186	668,433
Deferred tax:		
Origination and reversal of timing differences	(104,877)	107,671
Effect of decreased tax rate	162,540	49,621
	57,663	157,292
Adjustment in respect of previous years:		
Deferred tax	-	(238,671)
Total deferred tax charge/(credit) (note 14)	57,663	(81,379)
Tax charge on profit on ordinary activities	636,849	587,054

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23% (2013 - 24%).

The reasons are as follows:

	2014 £	2013 £
Profit on ordinary activities before taxation	1,987,101	1,608,855
Profit on ordinary activities by rate of tax	457,033	386,125
Depreciation in excess of capital allowances	158,776	117,277
Permanent differences	1,718	3,122
Prior year adjustment	-	185,759
Timing differences	230	(23,850)
Research and development tax credit	(38,571)	-
Total current tax (note 8(a))	579,186	668,433

# WIPAC LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2014

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### 9. DIVIDENDS

#### Equity dividends

	2014 £	2013 £
Paid during the year:		
Equity dividends on ordinary shares of £1	<u>250,000</u>	<u>727,000</u>

The interim dividend paid on the ordinary £1 shares in the prior year amounted to £0.13 per share and was paid on 31 March 2014.

### 10. INTANGIBLE FIXED ASSETS

	Goodwill £	Development costs £	Total £
<b>COST</b>			
At 1 April 2013 and 31 March 2014	<u>693,257</u>	<u>350,583</u>	<u>1,043,840</u>
<b>AMORTISATION</b>			
At 1 April 2013	185,106	140,000	325,106
Charge for the year	<u>34,663</u>	<u>69,600</u>	<u>104,263</u>
At 31 March 2014	<u>219,769</u>	<u>209,600</u>	<u>429,369</u>
<b>NET BOOK VALUE</b>			
At 31 March 2014	<u>473,488</u>	<u>140,983</u>	<u>614,471</u>
At 31 March 2013	<u>508,151</u>	<u>210,583</u>	<u>718,734</u>

# WIPAC LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2014

### 11. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant & machinery £	Motor vehicles £	Total £
<b>COST</b>				
At 1 April 2013	3,246,500	11,501,552	46,228	14,794,280
Additions	–	1,521,059	–	1,521,059
Disposals	–	(99,105)	–	(99,105)
<b>At 31 March 2014</b>	<b>3,246,500</b>	<b>12,923,506</b>	<b>46,228</b>	<b>16,216,234</b>
<b>DEPRECIATION</b>				
At 1 April 2013	504,427	9,077,755	46,228	9,628,410
Charge for the year	42,930	647,402	–	690,332
On disposals	–	(18,298)	–	(18,298)
<b>At 31 March 2014</b>	<b>547,357</b>	<b>9,706,859</b>	<b>46,228</b>	<b>10,300,444</b>
<b>NET BOOK VALUE</b>				
<b>At 31 March 2014</b>	<b>2,699,143</b>	<b>3,216,647</b>	<b>–</b>	<b>5,915,790</b>
At 31 March 2013	2,742,073	2,423,797	–	5,165,870

Included in freehold land and buildings is land valued at £1,100,000 which is not depreciated.

### 12. STOCKS

	2014 £	2013 £
Raw materials	2,424,543	2,429,801
Work in progress	148,744	124,287
Finished goods	397,312	173,263
	<b>2,970,599</b>	<b>2,727,351</b>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

# WIPAC LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2014

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### 13. DEBTORS

Due within one year

	2014	2013
	£	£
Trade debtors	3,557,980	2,543,099
Amounts owed by group undertakings	–	43,239
Other debtors	1,009,494	1,544,625
Prepayments and accrued income	124,721	23,536
Deferred taxation (note 14)	1,083,596	1,141,259
	<u>5,775,791</u>	<u>5,295,758</u>

Amounts owed by group undertakings are non interest bearing, unsecured and have no fixed payment date.

### 14. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2014	2013
	£	£
Included in debtors (note 13)	<u>1,083,596</u>	<u>1,141,259</u>

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

	2014	2013
	£	£
Balance brought forward	1,141,259	1,059,880
Profit and loss account movement arising during the year	(57,663)	81,379
Balance carried forward	<u>1,083,596</u>	<u>1,141,259</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2014	2013
	£	£
Excess of depreciation over taxation allowances	<u>1,083,596</u>	<u>1,141,259</u>
	<u>1,083,596</u>	<u>1,141,259</u>

On the basis of their assessment of the company's forecast future performance and of its historical profitability, the directors have a reasonable expectation that the company will generate sufficient, suitable taxable profits against which the deferred tax assets can be recovered.

The deferred tax asset at 31 March 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

# WIPAC LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2014

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### 15. CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	1,879,186	1,843,933
Amounts owed to group undertakings	5,610,944	1,157,711
Corporation tax	579,186	482,674
Other taxation and social security	576,331	287,283
Other creditors	1,023,949	44,279
Accruals and deferred income	358,434	205,932
	<u>10,028,030</u>	<u>4,021,812</u>

The bank overdraft facility is secured by way of a floating charges over other assets of the company. Interest is payable at the floating rate of LIBOR + 1.7%.

Amounts owed to group undertakings are non interest bearing, unsecured and have no fixed payment date.

### 16. CREDITORS: Amounts falling due after more than one year

	2014	2013
	£	£
Amounts owed to group undertakings	<u>-</u>	<u>3,315,754</u>

### 17. PENSIONS

The company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement Benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. Full details of the financial assumptions used to assess the scheme's assets and liabilities can be found in the accounts of Carclo plc. During the year ended 31 March 2011 the company elected to cease future accrual for existing members of the defined benefit scheme and members transferred to the defined contribution scheme.

The company is also a member of a defined contribution pension scheme operated by Carclo plc. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £114,606 (2013 - £84,916). Contributions amounting to £11,435 (2013 - £8,880) were payable to the scheme at the year end and are included in creditors.

# WIPAC LIMITED

## NOTES TO THE ACCOUNTS

### YEAR ENDED 31 MARCH 2014

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#### 18. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Assets other than Land and buildings</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 year	<b>8,220</b>	14,603
Within 2 to 5 years	<b>92,720</b>	66,236
	<b><u>100,940</u></b>	<b><u>80,839</u></b>

#### 19. CONTINGENT LIABILITIES

The company has provided cross guarantees in respect of certain bank overdrafts of other Carclo plc subsidiary undertakings. At 31 March 2014 the overdraft facilities amounted to £7,000,000 (2013 - £7,000,000) of which £1,354,000 (2013 - £1,376,000) had been utilised.

The company has also provided an upstream guarantee to the parent company, Carclo plc, in respect of certain bank loan and overdraft facilities. At 31 March 2014 the total bank facilities available to the parent company amounted to £20,000,000 (2013 - £20,000,000) of which £17,569,000 (2013 - £18,308,000) had been utilised.

There is a floating charge over the company's assets in respect of the above guarantees.

#### 20. SHARE CAPITAL

**Allotted, called up and fully paid:**

	<b>2014</b>		<b>2013</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
Ordinary shares of £1 each	<b><u>2,000,000</u></b>	<b><u>2,000,000</u></b>	<b><u>2,000,000</u></b>	<b><u>2,000,000</u></b>

#### 21. PROFIT AND LOSS ACCOUNT

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Balance brought forward	<b>5,669,071</b>	5,374,270
Profit for the financial year	<b>1,350,252</b>	1,021,801
Equity dividends	<b>(250,000)</b>	(727,000)
Balance carried forward	<b><u>6,769,323</u></b>	<b><u>5,669,071</u></b>



# WIPAC LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2014

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### 22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Profit for the financial year	1,350,252	1,021,801
Equity dividends	(250,000)	(727,000)
Net addition to shareholders' funds	1,100,252	294,801
Opening shareholders' funds	7,669,071	7,374,270
Closing shareholders' funds	8,769,323	7,669,071

### 23. ULTIMATE PARENT COMPANY

The parent company and ultimate controlling party of the group of undertakings for which group accounts are drawn up and of which the company is a member is Carclo plc. Copies of Carclo plc's accounts can be obtained from Springstone House, 27 Dewsbury Road, Ossett, WF5 9WS.