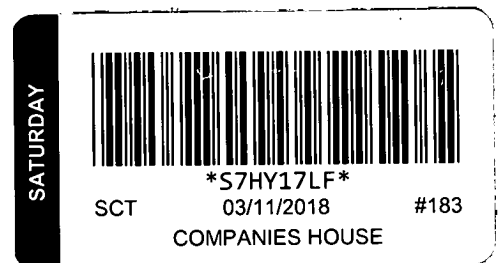


Company Registration No. SC045447 (Scotland)

INTERPLEX PMP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018



INTERPLEX PMP LIMITED

COMPANY INFORMATION

Directors	A Perrotta J Soon Swee Har G Thomas	(Appointed 20 September 2017)
Secretary	J Soon Swee Har	
Company number	SC045447	
Registered office	Elliot Industrial Estate Arbroath DD11 2NN	
Auditor	Campbell Dallas Audit Services Titanium 1 King's Inch Place Renfrew PA4 8WF	

INTERPLEX PMP LIMITED

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INTERPLEX PMP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The directors present the strategic report for the year ended 30 June 2018.

Fair review of the business

The directors are very pleased with the reported performance where we returned an operating profit of £906,854 in the period (2017: £87,522). We generated increased sales in the period of £16,547,471 (2017: £13,692,614) deriving mainly from our exports into the Automotive market, where we maintain a strong presence.

Our exports into the EU and intercompany loans which are denominated in Euros were less affected by the rate of sterling against the Euro during the year, creating recognised exchange rate losses of £81,279 during the year, compared to losses in 2017 of £392,799. We continue to take steps to mitigate our exchange rate exposure.

To remain competitive the directors recognise that fresh investment is necessary and in the period under review the Company invested £1,118,058 in new plant and machinery.

Whilst still maintaining a strong presence within the Automotive sector, further diversification has been secured in the period as we have moved into the telecommunications sector.

Key financial KPI's	2018	2017
Gross profit margin	25%	25%
Debtor days	68	38

We are satisfied with our liquidity position despite our significant investment in new plant and machinery.

The Company has maintained its excellent reputation for service levels and quality in the market, and continues to develop alliances with existing and new customers who recognise the unique advantages of our Company and people.

The directors are optimistic about our prospects for the year ahead despite the uncertainty within the UK surrounding the political decision to leave the EU.

On behalf of the board



J Soon Swee Har

Director

1/11/18

INTERPLEX PMP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The directors present their annual report and financial statements for the year ended 30 June 2018.

Principal activities

The principal activity of the company continued to be that of the manufacture of components for the automotive and electronics industries.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Perrotta

J Soon Swee Har

G Thomas

A Tong Haut

(Appointed 20 September 2017)

(Resigned 20 September 2017)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The auditors, Campbell Dallas Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

INTERPLEX PMP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

On behalf of the board



.....
J Soon Swee Har

Director

Date: 1/11/18.....

INTERPLEX PMP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERPLEX PMP LIMITED

Opinion

We have audited the financial statements of Interplex PMP Limited (the 'company') for the year ended 30 June 2018 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INTERPLEX PMP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INTERPLEX PMP LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Fraser Campbell (Senior Statutory Auditor)
for and on behalf of Campbell Dallas Audit Services

.....1/11/18.....

Accountants
Statutory Auditor

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

INTERPLEX PMP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	2017 £
Turnover	3	16,547,471	13,692,614
Cost of sales		(12,369,136)	(10,266,068)
Gross profit		4,178,335	3,426,546
Distribution costs		(291,541)	(253,946)
Administrative expenses		(3,003,510)	(3,119,410)
Other operating income		23,570	34,332
Operating profit	4	906,854	87,522
Interest payable and similar expenses	6	(115,462)	(143,397)
Profit/(loss) before taxation		791,392	(55,875)
Tax on profit/(loss)	7	-	-
Profit/(loss) for the financial year		791,392	(55,875)

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

INTERPLEX PMP LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	2018 £	2017 £
Profit/(loss) for the year	791,392	(55,875)
Other comprehensive income		
Actuarial gain on defined benefit pension schemes	109,495	85,487
Total comprehensive income for the year	<u>900,887</u>	<u>29,612</u>

INTERPLEX PMP LIMITED

BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	9		4,344,480		3,807,713
Current assets					
Stocks	10	2,294,631		1,522,233	
Debtors	11	3,396,481		1,689,159	
Cash at bank and in hand		111,105		152,857	
		5,802,217		3,364,249	
Creditors: amounts falling due within one year	12	(5,610,109)		(3,154,799)	
Net current assets			192,108		209,450
Total assets less current liabilities			4,536,588		4,017,163
Creditors: amounts falling due after more than one year	13		(1,916,965)		(2,206,542)
Net assets excluding pension liability			2,619,623		1,810,621
Defined benefit pension liability	16		(276,160)		(368,045)
Net assets			2,343,463		1,442,576
Capital and reserves					
Called up share capital	17		70,322		70,322
Share premium account			182,362		182,362
Other reserves			49,492		49,492
Profit and loss reserves			2,041,287		1,140,400
Total equity			2,343,463		1,442,576

The financial statements were approved by the board of directors and authorised for issue on 1/11/18 and are signed on its behalf by:



J Soon Swee Har
Director

Company Registration No. SC045447

INTERPLEX PMP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 July 2016	70,322	182,362	49,492	1,110,788	1,412,964
Year ended 30 June 2017:					
Loss for the year	-	-	-	(55,875)	(55,875)
Other comprehensive income:					
Actuarial gains on defined benefit plans	-	-	-	85,487	85,487
Total comprehensive income for the year	-	-	-	29,612	29,612
Balance at 30 June 2017	70,322	182,362	49,492	1,140,400	1,442,576
Year ended 30 June 2018:					
Profit for the year	-	-	-	791,392	791,392
Other comprehensive income:					
Actuarial gains on defined benefit plans	-	-	-	109,495	109,495
Total comprehensive income for the year	-	-	-	900,887	900,887
Balance at 30 June 2018	70,322	182,362	49,492	2,041,287	2,343,463

INTERPLEX PMP LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	22	1,445,428		1,642,433	
Interest paid		(105,900)		(130,458)	
Net cash inflow from operating activities		<u>1,339,528</u>		<u>1,511,975</u>	
Investing activities					
Purchase of tangible fixed assets		(1,019,658)		(879,531)	
Proceeds on disposal of tangible fixed assets		-		949,886	
Net cash (used in)/generated from investing activities		<u>(1,019,658)</u>		<u>70,355</u>	
Financing activities					
Movement of group undertaking loans		(292,536)		(1,347,797)	
Movement on capital element of HP contracts		(69,086)		(183,229)	
Net cash used in financing activities		<u>(361,622)</u>		<u>(1,531,026)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(41,752)</u>		<u>51,304</u>	
Cash and cash equivalents at beginning of year		152,857		101,553	
Cash and cash equivalents at end of year		<u>111,105</u>		<u>152,857</u>	

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Company information

Interplex PMP Limited is a private company limited by shares incorporated in Scotland. The registered office is Elliot Industrial Estate, Arbroath, DD11 2NN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of its intermediate holding company, Interplex Holdings Pte. Ltd., a company registered in Singapore.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The turnover and pre tax profit is attributable to the activities of manufacture of components and tools for the automotive and electronic industries.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably.

Development costs have been fully amortised over their estimated useful life of 5 years.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	over 40 years
Plant and equipment	at varying rates on cost
Fixtures and fittings	straight line over 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cost comprises of the following for each of the undernoted stock categories:

Raw materials:	Average of actual invoice costs.
Work in progress and finished goods:	Direct materials and labour plus attributable production overheads.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences. Deferred tax assets are generally only recognised to the extent that the directors consider their recognition would be material to the financial statements and it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2018	2017
	£	£
Other significant revenue		
Grants received	23,570	34,332

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

3 Turnover and other revenue

(Continued)

	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	8,499,551	8,012,935
Europe	5,927,530	5,187,502
Rest of the World	2,120,390	492,177
	<u>16,547,471</u>	<u>13,692,614</u>

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	81,279	392,799
Government grants	(23,570)	(34,332)
Fees payable to the company's auditor for the audit of the company's financial statements	14,250	14,250
Depreciation of owned tangible fixed assets	487,380	433,651
Depreciation of tangible fixed assets held under finance leases	93,911	90,635
(Profit)/loss on disposal of tangible fixed assets	-	153,986
Operating lease charges	33,128	32,481
	<u>33,128</u>	<u>32,481</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £81,279 (2017 - £392,799).

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Office and management	32	31
Manufacturing	140	124
	<u>172</u>	<u>155</u>

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

5 Employees

(Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	4,333,701	3,866,148
Social security costs	402,237	352,818
Pension costs	161,428	157,433
	<u>4,897,366</u>	<u>4,376,399</u>

6 Interest payable and similar expenses

	2018 £	2017 £
Interest on bank overdrafts and loans	38,715	26,864
Interest on finance leases and hire purchase contracts	10,946	22,562
Interest payable to group undertakings	56,239	81,032
Interest on the net defined benefit liability	9,562	12,939
	<u>115,462</u>	<u>143,397</u>

7 Taxation

The company has unrelieved tax losses and other timing differences of £0.8m (2017: £1.7m) with an associated potential deferred tax asset arising from these of £0.14m (2017: £0.29m). There has been no deferred tax asset recognised on the grounds that the directors consider that it is not material to the financial statements.

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit/(loss) before taxation	<u>791,392</u>	<u>(55,875)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.75%)	150,364	(11,035)
Tax effect of expenses that are not deductible in determining taxable profit	2,962	26,970
Fixed asset differences	13,301	16,148
Utilisation of tax losses brought forward	(187,431)	(48,967)
Amounts (charged)/credited directly to equity	<u>20,804</u>	<u>16,884</u>
Taxation charge for the year	<u>-</u>	<u>-</u>

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

8 Intangible fixed assets

	£
Cost	
At 1 July 2017 and 30 June 2018	505,966
Amortisation and impairment	
At 1 July 2017 and 30 June 2018	505,966
Carrying amount	
At 30 June 2018	-
At 30 June 2017	-

9 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 July 2017	2,790,473	11,007,892	189,859	13,988,224
Additions	14,609	1,064,371	39,078	1,118,058
At 30 June 2018	2,805,082	12,072,263	228,937	15,106,282
Depreciation and impairment				
At 1 July 2017	1,730,687	8,259,965	189,859	10,180,511
Depreciation charged in the year	70,004	509,390	1,897	581,291
At 30 June 2018	1,800,691	8,769,355	191,756	10,761,802
Carrying amount				
At 30 June 2018	1,004,391	3,302,908	37,181	4,344,480
At 30 June 2017	1,059,786	2,747,927	-	3,807,713

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2018 £	2017 £
Plant and equipment	441,487	368,255
Freehold land and buildings	20,606	21,230
	462,093	389,485
Depreciation charge for the year in respect of leased assets	93,911	90,635

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

10 Stocks

	2018 £	2017 £
Raw materials and consumables	1,019,168	951,521
Work in progress	1,159,607	442,950
Finished goods and goods for resale	115,856	127,762
	<u>2,294,631</u>	<u>1,522,233</u>

11 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	3,102,993	1,458,145
Other debtors	127,696	126,857
Prepayments and accrued income	165,792	104,157
	<u>3,396,481</u>	<u>1,689,159</u>

12 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Obligations under finance leases	15	28,437	67,326
Other borrowings	14	375,823	334,149
Trade creditors		2,161,063	2,168,776
Amounts due to group undertakings		1,199,681	69,358
Other taxation and social security		111,073	95,527
Other creditors		942,346	89,805
Accruals and deferred income		791,686	329,858
		<u>5,610,109</u>	<u>3,154,799</u>

13 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under finance leases	15	92,323	24,120
Other borrowings	14	1,717,350	2,051,560
Government grants		107,292	130,862
		<u>1,916,965</u>	<u>2,206,542</u>

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

14 Loans and overdrafts

	2018 £	2017 £
Loans from group undertakings	2,093,173	2,385,709
Payable within one year	375,823	334,149
Payable after one year	1,717,350	2,051,560

The loan from the parent and fellow subsidiary company is payable over ten years in monthly instalments of £36,600. Interest is charged at a rate of 2.5%.

15 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Within one year	28,437	67,326
In two to five years	92,323	24,120
	120,760	91,446

Finance lease payables are secured over the fixed assets to which they relate.

16 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	129,428	125,433

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At 30 June 2018, total outstanding contributions for the defined contribution scheme of £12,415 (2017; £9,980) were included in creditors due within one year.

Defined benefit schemes

The defined benefit pension scheme stopped accruing benefits on 30 September 2003. The scheme is subject to an annual actuarial valuation by a qualified actuary.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2018 by Spence & Partners Limited, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

The company currently pays contributions of £32,000 per annum as noted in the recovery plan agreed as part of the annual actuarial valuation as at 30 June 2018.

The pension contributions paid for the year for £32,000 (2017: £32,000). The expected employer contribution to the defined benefit obligation for 2018/19 is £32,000.

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

16 Retirement benefit schemes

(Continued)

	2018	2017
	%	%
<i>Key assumptions</i>		
Discount rate	2.72	2.57
Price inflation - RPI	3.10	3.10
Price inflation - CPI	2.10	2.10
<i>Mortality assumptions</i>	2018	2017
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	21.3	21.4
- Females	24.8	24.9
Retiring in 20 years		
- Males	22.4	22.5
- Females	26.0	26.1
	2018	2017
	£	£
<i>Amounts recognised in the profit and loss account</i>		
Current service cost	40,048	50,620
Net interest on defined benefit liability/(asset)	9,562	12,939
Total costs	49,610	63,559
	2018	2017
	£	£
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	(169,859)	(238,997)
Less: calculated interest element	39,979	47,164
Return on scheme assets excluding interest income	(129,880)	(191,833)
Actuarial changes related to obligations	20,385	106,346
Total costs/(income)	(109,495)	(85,487)

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

16 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2018 £	2017 £
Present value of defined benefit obligations	1,819,319	2,105,916
Fair value of plan assets	(1,543,159)	(1,737,871)
Deficit in scheme	<u>276,160</u>	<u>368,045</u>

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

16 Retirement benefit schemes

(Continued)

	2018 £
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 July 2017	2,105,916
Current service cost	40,048
Benefits paid	(356,523)
Actuarial gains and losses	20,385
Interest cost	49,541
Other	(40,048)
At 30 June 2018	<u>1,819,319</u>

The defined benefit obligations arise from plans which are wholly or partly funded.

	2018 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 July 2017	1,737,871
Interest income	39,979
Return on plan assets (excluding amounts included in net interest)	129,880
Benefits paid	(356,523)
Contributions by the employer	32,000
Other	(40,048)
At 30 June 2018	<u>1,543,159</u>

	2018 £	2017 £
<i>Fair value of plan assets at the reporting period end</i>		
Equity instruments	1,115,597	1,428,530
Debt instruments	128,665	215,496
Property	87,795	33,020
Cash/Other	211,102	60,825
	<u>1,543,159</u>	<u>1,737,871</u>

17 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
70,322 Ordinary shares of £1 each	70,322	70,322
	<u>70,322</u>	<u>70,322</u>

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

18 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	80,100	33,660
Between two and five years	245,536	35,701
	<u>325,636</u>	<u>69,361</u>

19 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018 £	2017 £
Acquisition of tangible fixed assets	<u>332,839</u>	<u>209,743</u>

20 Related party transactions

The company is part of a large international group and, as such, is involved in transactions with its holding company and other group companies. Sales to group companies totalled £510,078 (2017: £829,852) and purchases totalled £244,548 (2017: £164,457).

21 Controlling party

The ultimate parent undertaking is Baring Private Equity Asia VI Holding (7) Limited, a company registered in the British Virgin Islands.

INTERPLEX PMP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

22 Cash generated from operations

	2018 £	2017 £
Profit/(loss) for the year after tax	791,392	(55,875)
Adjustments for:		
Finance costs	115,462	143,397
(Gain)/loss on disposal of tangible fixed assets	-	153,986
Depreciation and impairment of tangible fixed assets	581,291	524,286
Pension scheme non-cash movement	8,048	18,620
Movements in working capital:		
(Increase)/decrease in stocks	(772,398)	213,432
(Increase)/decrease in debtors	(1,721,847)	115,149
Increase in creditors	2,467,050	563,771
(Decrease) in deferred income	(23,570)	(34,333)
Cash generated from operations	<u>1,445,428</u>	<u>1,642,433</u>