

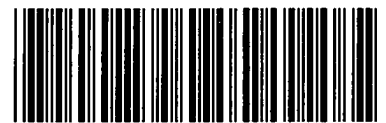
**Registered Number: 03037845**

**Protim Solignum Limited and its subsidiary undertakings**

**Directors' Report and Financial Statements**

**For the Year Ended 31 December 2014**

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# **Protim Solignum Limited and its subsidiary undertakings**

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## **Company Information**

<b>Directors</b>	S R Lacy P A Goydan S Jepson L M Ball, Jr
<b>Secretary</b>	S Jepson
<b>Registered Office</b>	Fieldhouse Lane Marlow Buckinghamshire SL7 1LS
<b>Independent Auditor</b>	Grant Thornton UK LLP 1020 Eskdale Road Winnersh IQ Wokingham Berkshire RG41 5TS
<b>Business Address</b>	Fieldhouse Lane Marlow Buckinghamshire SL7 1LS
<b>Bankers</b>	HSBC Midland House West Way Botley Oxford Oxfordshire OX2 0PL

## **Directors' Report for the year ended 31 December 2014**

The directors present their report and audited financial statements for the year ended 31 December 2014.

### **RESULTS AND DIVIDENDS**

The group's profit for the year after taxation amounted to £842,000 (2013: loss of £96,000).

The group has paid an interim dividend of £1,700,000 in relation to the financial year ended 31 December 2014. The group does not intend to propose any further dividends in relation to the financial year ended 31 December 2014 (2013: £nil).

### **DIRECTORS**

The directors of the company who served during the year and up to the date of signing the financial statements are as follows:

P A Goydan  
J R Spengler (resigned 15 August 2014)  
I McConnell (resigned 31 December 2014)  
S Jepson  
L M Ball, Jr (appointed 13 November 2014)  
S R Lacy (appointed 13 November 2014)

### **POLITICAL AND CHARITABLE DONATIONS**

Charitable donations of £40 (2013: £nil) were made during the year.

### **EMPLOYMENT POLICIES**

The group is committed to a policy of non-discrimination in all aspects of its business. It is a policy of the group to consider all applicants for employment or advancement on the basis of the requirements for the specific role without regard to race, natural origin, colour, religion, sex, sexual orientation, age or marital status. This policy extends to all aspects of employment including recruitment, career advancement, training and remuneration.

### **DISABLED EMPLOYEES**

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

### **EMPLOYEE INVOLVEMENT**

Employees are provided with information about the group and its parent group through newsletters and updates in which employees are encouraged to participate. Regular meetings are held between management and employees to allow a free flow of information and ideas. Employees are encouraged to participate directly in the success of the business and where appropriate through performance related pay schemes.

## **Directors' Report for the year ended 31 December 2014 (continued)**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

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

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

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **AUDITOR**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

On behalf of the Board



S Jepson  
Commercial Director / Secretary

Date: 9/1/15

Registered number: 3037845

## Strategic Report for the year ended 31 December 2014

### PRINCIPAL ACTIVITY

Protim Solignum Limited is a manufacturer and distributor of industrial timber preservation products and associated equipment.

The group manufactures and distributes both water and solvent based chemicals, and provides support services and plant supply in both aspects of the business. The group also undertakes research and development work in these areas.

### BUSINESS REVIEW

The directors are encouraged by the overall improvement in the result for 2014 helped both by better export sales to mainland Europe and also a recovery following the poor start to the year in the UK itself when severe weather conditions wreaked havoc on the property and construction sector. As was reported one year ago the directors were hopeful that early lost volume due to the weather conditions might be recovered and indeed the company finished the year strongly as confidence returned across many parts of the country.

Gross margin move upwards up to 37.1% against sales and continues to reflect the ongoing tight cost control together with changes to the product / service mix.

The group and its customers continue to see a number of changes in legislation, not least the introduction of the Biocidal Products Regulation resulting in considerable effort on the part of all staff involved and also the introduction of the Industrial Emissions Directive which has had a particular impact and increased burden upon many of our customers. Both programmes will continue to demand effort over the coming months.

The company maintains a strong cash position and the directors expect to make further improvements in the results during the coming year.

The group's key financial and other performance indicators are as follows:

	2014 £'000	2013 £'000
Revenue	20,143	17,275
Gross profit	7,475	5,280
Gross margin	37.1%	30.5%
Operating profit/(loss)	1,248	(302)
Operating margin	6.2%	(1.7%)
Revenue/average number of employees	341	293

### PRINCIPAL RISKS AND UNCERTAINTIES

#### Competition

The group is reliant on sales to both new and existing customers, which are achieved through the expansion of some market places together with market share gains. These sales are achieved in a competitive environment and often in competitive tender, they are uncertain and will be based on product, performance and price criteria.

## **Strategic Report for the year ended 31 December 2014 (continued)**

### **Resource**

The group is reliant on the retention and recruitment of the highest quality employees in all aspects of the business and in particular activities relating to the development, support, implementation and sales of products.

### **Financial risk management**

The group's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk, and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs. The group does not use derivative financial instruments to manage interest rate risk and as such no hedge accounting is applied.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors together with input from the parent undertaking's management are implemented by the group's finance department.

- Credit risk - the group has implemented policies that require appropriate credit checks on customers before sales are made and performs regular credit reviews for existing customers.
- Liquidity risk - the group has no requirements for debt finance as it maintains sufficient funds for operations.
- Interest rate cash flow risk - the group has interest bearing assets in the form of cash balances, which are invested in secure banks to provide appropriate returns.
- Exchange rate risk - Exchange rate fluctuation represents a risk because a significant proportion of goods purchased and sold are priced in a foreign currency. There are no formal hedging policies in place as the directors do not consider this risk as material to the group, especially given that there is a degree of natural hedging in place. This approach is monitored regularly by the directors.

### **FUTURE DEVELOPMENTS**

The directors aim to maintain the policies that had previously been rewarded with growth until the commencement of the current period of uncertainty and we continue to witness development as customers and markets deal in their own way with the international liquidity crisis. We continue to believe that quality products without compromise that provide good value for money will prevail and will once again help maintain and build both our position and reputation going forward.

### **RESEARCH AND DEVELOPMENT**

The group invests substantially in research and development. Research and development in the business is concentrated in new products and support services.

On behalf of the Board



S Jepson  
Commercial Director / Secretary

Date: 9/1/15

Registered number: 3037845

## **Report of the independent auditor to the members of Protim Solignum Limited and its subsidiary undertakings**

### **Independent auditor's report to the members of Protim Solignum Limited and its subsidiary undertakings**

We have audited the financial statements of Protim Solignum Limited and its subsidiary undertakings for the year ended 31 December 2014 which comprise the group profit and loss account, the group statement of total recognised gains and losses, the group and parent company balance sheets, the group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## **Report of the independent auditor to the members of Protim Solignum Limited and its subsidiary undertakings (continued)**

### **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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Grant Thornton UK LLP*

Mahmood Ramji  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
Reading

Date: *22 July 2015*

## Protim Solignum Limited and its subsidiary undertakings

### Group Profit and Loss Account for the year ended 31 December 2014

	<b>Note</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Turnover</b>	<b>2</b>	<b>20,143</b>	<b>17,275</b>
Cost of sales		<b>(12,668)</b>	<b>(11,995)</b>
<b>Gross profit</b>		<b>7,475</b>	<b>5,280</b>
Distribution costs		<b>(933)</b>	<b>(843)</b>
Administrative expenses		<b>(5,302)</b>	<b>(4,755)</b>
<b>Operating profit/(loss)</b>	<b>3</b>	<b>1,240</b>	<b>(318)</b>
Interest receivable and similar income	<b>5</b>	<b>8</b>	<b>12</b>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>1,248</b>	<b>(306)</b>
Taxation on profit/(loss) on ordinary activities	<b>6</b>	<b>(406)</b>	<b>211</b>
<b>Retained profit/(loss) for the year</b>	<b>18</b>	<b>842</b>	<b>(95)</b>

### Group Statement of Total Recognised Gains and Losses for the year ended 31 December 2014

	<b>2014 £'000</b>	<b>2013 £'000</b>
Retained profit/(loss) for the year	<b>842</b>	<b>(95)</b>
Currency differences on foreign exchange (note 17)	<b>14</b>	<b>(5)</b>
<b>Total gains/(losses) recognised since prior year financial statements</b>	<b>856</b>	<b>(100)</b>

All amounts relate to continuing operations.

*The notes on pages 12 to 25 form part of these financial statements.*

# Protim Solignum Limited and its subsidiary undertakings

## Group Balance Sheet as at 31 December 2014

	Note	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Intangible assets	7	-	262
Tangible assets	8	1,785	1,967
		<b>1,785</b>	<b>2,229</b>
<b>Current assets</b>			
Stock	10	1,248	1,328
Debtors	11	4,152	4,170
Cash at bank and in hand		3,467	3,844
		<b>8,867</b>	<b>9,342</b>
<b>Creditors - amounts falling due within one year</b>	12	<b>(2,532)</b>	<b>(2,611)</b>
<b>Net current assets</b>		<b>6,335</b>	<b>6,731</b>
<b>Total assets less current liabilities</b>		<b>8,120</b>	<b>8,960</b>
<b>Provisions for liabilities and charges</b>	13	<b>(16)</b>	<b>(12)</b>
<b>Net assets</b>		<b>8,104</b>	<b>8,948</b>
<b>Capital and reserves</b>			
Called up share capital	16	2,020	2,020
Share premium account	17	5,924	5,924
Profit and loss account	17	160	1,004
<b>Total equity shareholders' funds</b>	18	<b>8,104</b>	<b>8,948</b>

Approved by the Board and authorised for issue on 9<sup>th</sup> July 2015 and signed on its behalf by:



S Jepson  
Director

Registered number: 3037845

The notes on pages 12 to 25 form part of these financial statements.

# Protim Solignum Limited and its subsidiary undertakings

## Company Balance Sheet as at 31 December 2014

	Note	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Intangible assets	7	-	262
Tangible assets	8	1,754	1,933
Investments	9	1	6
		1,755	2,201
<b>Current assets</b>			
Stock	10	1,192	1,236
Debtors	11	4,363	4,286
Cash at bank and in hand		3,423	3,763
		8,978	9,285
<b>Creditors - amounts falling due within one year</b>	12	(2,383)	(2,242)
<b>Net current assets</b>		6,595	7,043
<b>Total assets less current liabilities</b>		8,350	9,244
<b>Provisions for liabilities and charges</b>	13	(16)	(12)
<b>Net assets</b>		8,334	9,232
<b>Capital and reserves</b>			
Called up share capital	16	2,020	2,020
Share premium account	17	5,924	5,924
Profit and loss account	17	390	1,288
<b>Total equity shareholders' funds</b>	17	8,334	9,232

Approved by the Board and authorised for issue on 9<sup>th</sup> July 2015 and signed on its behalf by:



S Jepson  
Director

Registered number: 3037845

The notes on pages 12 to 25 form part of these financial statements.

## Protim Solignum Limited and its subsidiary undertakings

### Group Cashflow Statement and reconciliation to net funds for the year ended 31 December 2014

	<i>Note</i>	<b>2014 £'000</b>	<b>2013 £'000</b>
Net cash inflow from operating activities	<b>19</b>	<b>1,473</b>	815
Returns on investments and servicing of finance	<b>19</b>	<b>8</b>	12
Taxation		<b>(89)</b>	(23)
Capital expenditure and financial investment	<b>19</b>	<b>(69)</b>	(27)
Dividends paid	<b>19</b>	<b>(1,700)</b>	-
(Decrease)/increase in cash	<b>19</b>	<b>(377)</b>	777
Net cash outflow from management of liquid resources		-	-
Net funds at 1 January		<b>3,844</b>	3,067
Net funds at 31 December		<b>3,467</b>	3,844

*The notes on pages 12 to 25 form part of these financial statements.*

# **Protim Solignum Limited and its subsidiary undertakings**

## **Notes to the financial statements**

### **For the year ended 31 December 2014**

#### **1 Principal accounting policies**

##### **Accounting convention**

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards.

The principal accounting policies remain unchanged and have been applied consistently throughout the year. The directors have reviewed the accounting policies and consider that they are appropriate to the group.

##### **Turnover**

The group recognises revenue and the related cost of sales on despatch, subject to contractual obligations being met. Turnover is stated net of VAT and trade discounts.

##### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all of its subsidiaries up to the year ended 31 December 2014. The basis of consolidation is acquisition accounting. As permitted by Section 408 of the Companies Act 2006 a separate profit and loss account for Protim Solignum Limited is not presented.

##### **Goodwill**

Acquired goodwill is amortised in equal annual instalments over its estimated useful economic life of 15 years on a straight line basis.

##### **Research and development**

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

##### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each fixed asset on a straight line basis over its expected useful life, as follows:

- Freehold land and buildings            25 years
- Plant and machinery                    2 - 10 years
- Fixtures and fittings                    2 - 5 years

##### **Leasing (lessee)**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### **Leasing (lessor)**

The group leases out assets under operating leases. The assets are held as fixed assets in the group's financial statements and depreciated over the term of the lease. The income from finance leases is recognised in the profit and loss account on a straight line basis over the lease term.

# **Protim Solignum Limited and its subsidiary undertakings**

## **Notes to the financial statements**

### **For the year ended 31 December 2014**

#### **1 Principal accounting policies (continued)**

##### **Stock**

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price less further costs expected to be incurred.

Where access to the benefits of consignment stocks held by third parties, and exposure to the risks of ownership lie with the group, the stock is recorded on the balance sheet.

##### **Work in progress**

Work in progress is valued at the lower of cost and net realisable value. Provision is made for any foreseeable losses where appropriate.

##### **Pensions**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension costs charged in the financial statements represent the contributions payable by the group during the year.

##### **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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

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

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future periods has been entered into by the subsidiary.

##### **Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Exchange rate differences arising from the retranslation at the closing rate of the opening net investment in overseas subsidiaries and of their results for the year are taken directly to retained profits and are reported in the statement of total recognised gains and losses.

# Protim Solignum Limited and its subsidiary undertakings

## Notes to the financial statements

For the year ended 31 December 2014

### 1 Principal accounting policies (continued)

#### Investments

Investments in subsidiaries are recorded at cost plus incidental expense less, where appropriate, provision for impairment.

#### Provisions

Provisions are recognised when the group has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### 2 Turnover

All of the group's turnover and profit/(loss) on ordinary activities before taxation relate to the group's principal activity. Turnover by destination is as follows:

	2014 £'000	2013 £'000
UK	10,978	9,586
Europe	4,308	4,223
Rest of World	4,857	3,466
Total sales	20,143	17,275

### 3 Operating loss

	2014 £'000	2013 £'000
Group operating loss is stated after charging/(crediting):		
Amortisation of intangible assets	262	368
Depreciation of tangible assets	250	284
Operating lease rentals – Land	-	-
Operating lease rentals – Plant and machinery	129	118
Operating lease income	(84)	(108)
Profit on disposal of fixed assets	-	5
Foreign currency exchange (gain)/loss	(21)	11
Auditor's remuneration		
- Audit and related	70	55
- Non-audit services - taxation	11	11



# Protim Solignum Limited and its subsidiary undertakings

## Notes to the financial statements

For the year ended 31 December 2014

### 4 Employee information and directors' emoluments

The group's employee costs were:

	2014 £'000	2013 £'000
Wages and salaries	2,708	2,190
Social security costs	274	240
Other pension costs	247	244
<b>Total employee costs</b>	<b>3,229</b>	<b>2,675</b>

The average number of employees, by category, were:

	2014 Number	2013 Number
Administration and selling	30	28
Production and technical	29	31
<b>Total</b>	<b>59</b>	<b>59</b>

The directors' emoluments for services as directors during 2014 were £599,026 (2013: £491,376).

Payments to the company pension fund on relating to directors were £53,930 (2013: £71,467).

The number of directors receiving pension fund contributions under a defined contribution scheme was 2 (2013: 3).

Emoluments paid to directors in respect of compensation for loss of office were £292,096 (2013: £nil).

Emoluments paid to the highest paid director were £506,507 (2013: £192,276) for services as a director and £42,500 (2013: £50,000) for pension fund contributions to a defined contribution scheme.

### 5 Interest receivable and similar income

	2014 £'000	2013 £'000
Bank interest	8	12
	<b>8</b>	<b>12</b>

# **Protim Solignum Limited and its subsidiary undertakings**

## **Notes to the financial statements**

**For the year ended 31 December 2014**

### **6 Taxation**

	<b>2014</b>	2013
	<b>£'000</b>	£'000
Current tax:		
UK corporation tax at 21.49% (2013: 23.25%) based on the profit/(loss) for the year	<b>273</b>	-
Unrelieved foreign tax	<b>4</b>	23
<b>Total current tax charge/ (credit)</b>	<b>277</b>	23
	<b>2014</b>	2013
	<b>£'000</b>	£'000
Deferred tax:		
Origination and reversal of timing differences	<b>129</b>	(234)
<b>Total deferred tax (see note 15)</b>	<b>129</b>	(234)
<b>Tax charge/(credit) on loss on ordinary activities</b>	<b>406</b>	(211)

The tax assessed for the period is not equal to that resulting from applying the standard rate of corporation tax in the UK: 21.49% (2013: 23.25%). The differences are explained below:

	<b>2014</b>	2013
	<b>£'000</b>	£'000
<b>Profit/(loss) on ordinary activities before tax</b>	<b>1,248</b>	(290)
<b>Profit/(loss) on ordinary activities multiplied by standard rate in the UK 21.49% (2013: 23.25%)</b>	<b>268</b>	(67)
Effects of:		
Expenses not deductible for tax purposes	<b>5</b>	4
Capital allowances in excess of depreciation	<b>(25)</b>	(30)
Ineligible depreciation	<b>102</b>	131
Tax losses	<b>(110)</b>	(32)
Other timing differences	<b>3</b>	(6)
Chargeable gains/(losses)	<b>52</b>	-
Relief for research and development expenditure	<b>(22)</b>	-
Relief for foreign tax suffered	<b>4</b>	23
<b>Current tax for the year</b>	<b>277</b>	23

# Protim Solignum Limited and its subsidiary undertakings

## Notes to the financial statements

For the year ended 31 December 2014

### 7 Intangible fixed assets – Group and Company

	Goodwill £'000
<b>Cost</b>	
At 1 January 2014 and at 31 December 2014	5,522
<b>Amortisation</b>	
At 1 January 2014	5,260
Charge for the year	262
<b>At 31 December 2014</b>	<b>5,522</b>
<b>Net book value</b>	
At 31 December 2014	-
At 31 December 2013	262

The goodwill arose on the acquisition of the UK business.

### 8 Tangible fixed assets Group

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>				
At 1 January 2014	2,476	6,818	683	9,977
Exchange differences	-	(7)	-	(7)
Additions	-	49	20	69
Disposals	-	(286)	(89)	(375)
<b>At 31 December 2014</b>	<b>2,476</b>	<b>6,574</b>	<b>614</b>	<b>9,664</b>
<b>Depreciation</b>				
At 1 January 2014	833	6,534	643	8,010
Exchange differences	-	(7)	-	(7)
Charge for the year	70	160	20	250
Disposals	-	(285)	(89)	(374)
<b>At 31 December 2014</b>	<b>903</b>	<b>6,402</b>	<b>574</b>	<b>7,879</b>
<b>Net book value</b>				
At 31 December 2014	1,573	172	40	1,785
At 31 December 2013	1,643	284	40	1,967

Included in plant and machinery at cost is £3,985,072 (2013: £3,985,072) with a net book value of £26,628 (2013: £129,946) of assets which are leased out to customers under operating leases.

# Protim Solignum Limited and its subsidiary undertakings

## Notes to the financial statements

For the year ended 31 December 2014

### 8 Tangible fixed assets (continued) Company

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>				
At 1 January 2014	2,476	6,535	674	9,685
Additions	-	40	20	60
Disposals	-	(269)	(82)	(351)
<b>At 31 December 2014</b>	<b>2,476</b>	<b>6,306</b>	<b>612</b>	<b>9,394</b>
<b>Depreciation</b>				
At 1 January 2014	833	6,285	634	7,752
Charge for the year	71	148	20	239
Disposals	-	(269)	(82)	(351)
<b>At 31 December 2014</b>	<b>904</b>	<b>6,164</b>	<b>572</b>	<b>7,640</b>
<b>Net book value</b>				
<b>At 31 December 2014</b>	<b>1,572</b>	<b>142</b>	<b>40</b>	<b>1,754</b>
At 31 December 2013	1,643	250	40	1,933

Included in plant and machinery at cost is £3,985,072 (2013: £3,985,072) with a net book value of £26,628 (2013: £129,946) of assets which are leased out to customers under operating leases.

### 9 Investments - Company

Investments in subsidiary undertakings	£'000
<b>Cost</b>	
At 1 January 2014	6
Disposals	(5)
<b>At 31 December 2014</b>	<b>1</b>
<b>Net book value</b>	
<b>At 31 December 2014</b>	<b>1</b>
At 31 December 2013	6

# Protim Solignum Limited and its subsidiary undertakings

## Notes to the financial statements

For the year ended 31 December 2014

### 9 Investments – Company (continued)

The company holds 100% of the share capital and voting rights of the following companies, which have all been included in the consolidated financial statements:

Company	Country of registration or incorporation	Class	Nature of business
Protim Osmose Limited	Ireland	Ordinary	Industrial timber preservation products
Osmose Spain S.L.	Spain	Ordinary	Registration of patents and trademarks
Protim Solignum South Africa Pty	South Africa	Ordinary	Registration of patents and trademarks
Celcure Limited	England and Wales	Ordinary	Dormant

During the year, Celcure Svenska AB, an investee company, was liquidated.

### 10 Stock

	Group 31 December 2014 £'000	Group 31 December 2013 £'000	Company 31 December 2014 £'000	Company 31 December 2013 £'000
Raw materials & consumables	539	643	521	597
Work in progress	249	244	249	244
Finished goods for resale	460	440	422	395
	<b>1,248</b>	<b>1,328</b>	<b>1,192</b>	<b>1,236</b>

### 11 Debtors

	Group 31 December 2014 £'000	Group 31 December 2013 £'000	Company 31 December 2014 £'000	Company 31 December 2013 £'000
Trade debtors	3,513	3,475	3,187	3,132
Amounts owed by group undertakings	233	211	773	728
Deferred tax asset (see note 14)	105	234	105	234
Other debtors	301	250	298	192
	<b>4,152</b>	<b>4,170</b>	<b>4,363</b>	<b>4,286</b>

# **Protim Solignum Limited and its subsidiary undertakings**

## **Notes to the financial statements**

**For the year ended 31 December 2014**

### **12 Creditors: amounts falling due within one year**

	<b>Group 31 December 2014</b>	<b>Group 31 December 2013</b>	<b>Company 31 December 2014</b>	<b>Company 31 December 2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	789	1,183	787	1,177
Amounts owed to group undertakings	108	238	96	200
Social security and other taxation	171	126	142	110
Other creditors and accruals	1,276	1,064	1,170	755
Corporation tax	188	-	188	-
	<b>2,532</b>	<b>2,611</b>	<b>2,383</b>	<b>2,242</b>

### **13 Provisions for liabilities and charges - Group and Company**

	<b>Warranty £'000</b>	<b>Total £'000</b>
At 1 January 2014	12	12
Utilisation of provision	(12)	(12)
Charge to profit and loss	16	16
<b>At 31 December 2014</b>	<b>16</b>	<b>16</b>

#### **Warranty**

The warranty provision is in respect of goods supplied under the group's warranty terms.

### **14 Deferred tax – Group and Company**

	<b>31 December 2014</b>	<b>31 December 2013</b>
	<b>£'000</b>	<b>£'000</b>
At beginning of year	234	-
(Charged)/credited during the year	(129)	234
<b>At end of year</b>	<b>105</b>	<b>234</b>

# Protim Solignum Limited and its subsidiary undertakings

## Notes to the financial statements

For the year ended 31 December 2014

### 14 Deferred tax – Group and Company (continued)

The deferred taxation balance is made up as follows:

	31 December 2014	31 December 2013
	£'000	£'000
Fixed asset timing differences	72	102
Other timing differences	33	30
Losses and other deductions	-	102
	<b>105</b>	<b>234</b>

The directors have recognised a deferred tax asset as they believe future taxable profits sufficient to utilise the asset will be generated in future periods. The directors have prepared detailed forecasts for future financial periods indicating that this will be the case. On this basis the directors believe that it is appropriate to recognise the asset in full.

### 15 Pension costs

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £247,000 (2013: £244,000). There was £nil outstanding at 31 December 2014 (2013: £3,907).

### 16 Share capital

	31 December 2014	31 December 2013
	£	£
<b>Authorised</b>		
ordinary shares of £1 each	5,000,000	5,000,000
<b>Allotted, called up and fully paid</b>		
ordinary shares of £1 each	2,020,001	2,020,001

# Protim Solignum Limited and its subsidiary undertakings

## Notes to the financial statements

For the year ended 31 December 2014

### 17 Statement of movements on reserves

#### Group

	Share Capital Account £'000	Share Premium Account £'000	Profit and Loss Account £'000	Total £'000
Balance at 1 January 2014	2,020	5,924	1,004	8,948
Retained profit for the year	-	-	842	842
Equity dividends paid (note 21)	-	-	(1,700)	(1,700)
Other recognised gains and losses	-	-	14	14
<b>Balance at 31 December 2014</b>	<b>2,020</b>	<b>5,924</b>	<b>160</b>	<b>8,104</b>

#### Company

	Share Capital Account £'000	Share Premium Account £'000	Profit and Loss Account £'000	Total £'000
Balance at 1 January 2014	2,020	5,924	1,288	9,232
Retained profit for the year	-	-	802	802
Equity dividends paid (note 21)	-	-	(1,700)	(1,700)
<b>Balance at 31 December 2014</b>	<b>2,020</b>	<b>5,924</b>	<b>390</b>	<b>8,334</b>

No profit and loss account is presented for the company as permitted by section 408 of the Companies Act 2006. The company's profit after tax for the financial year, determined in accordance with the Act was £800,000 (2013: £61,000)

### 18 Reconciliation of movements in shareholders' funds

#### Group

	2014 £'000	2013 £'000
Opening shareholders' funds 1 January 2014	8,948	9,048
Profit/(loss) for the financial year	842	(95)
Other recognised gains and losses	14	(5)
Equity dividends paid (note 21)	(1,700)	-
<b>Closing shareholders' funds 31 December 2014</b>	<b>8,104</b>	<b>8,948</b>



# **Protim Solignum Limited and its subsidiary undertakings**

## **Notes to the financial statements**

**For the year ended 31 December 2014**

### **18 Reconciliation of movements in shareholders' funds (continued)**

#### **Company**

	2014 £'000	2013 £'000
Opening shareholders' funds 1 January 2014	9,232	9,171
Profit for the financial year	802	61
Equity dividends paid (note 21)	(1,700)	-
<b>Closing shareholders' funds 31 December 2014</b>	<b>8,334</b>	<b>9,232</b>

### **19 Cash flow Statement notes**

#### **Reconciliation of operating loss to net cash inflow/(outflow) from operating activities**

	2014 £'000	2013 £'000
Operating profit/(loss)	1,240	(318)
Depreciation	250	284
Amortisation	262	368
Profit on disposal of fixed assets	-	(5)
Foreign exchange gain/(loss)	14	(5)
Decrease in stock	80	360
Increase in debtors	(111)	(486)
(Decrease)/increase in creditors	(266)	659
Increase/(decrease) in provisions	4	(42)
<b>Net cash inflow from operating activities</b>	<b>1,473</b>	<b>815</b>

#### **Analysis of net funds**

	At 1 January 2014 £'000	Cash flows £'000	At 31 December 2014 £'000
Cash at bank and in hand	3,844	(377)	3,467
<b>Net funds</b>	<b>3,844</b>	<b>(377)</b>	<b>3,467</b>

#### **Analysis of gross cash flows**

	2014 £'000	2013 £'000
Interest received and other similar income	8	12
<b>Net cash inflow on returns on investments and servicing of finance</b>	<b>8</b>	<b>12</b>

# Protim Solignum Limited and its subsidiary undertakings

## Notes to the financial statements

For the year ended 31 December 2014

### 19 Cash flow Statement notes (continued)

#### Analysis of capital expenditure

	2014 £'000	2013 £'000
Additions to fixed assets	(69)	(36)
Disposal proceeds	-	9
<b>Net cash outflow on capital expenditure and financial investment additions</b>	<b>(69)</b>	<b>(27)</b>

### 20 Financial commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Expiry date:				
Within one year	-	-	53	33
Between two and five years	-	-	58	67
	-	-	111	100

### 21 Dividends

	31 December 2014 £'000	31 December 2013 £'000
Dividends paid on equity capital	1,700	-
	1,700	-

### 22 Going concern

The directors routinely plan future activities including forecasting future cash flows and have formed a judgement that the group has adequate resources to continue as a going concern for at least 12 months from the date of signing of the financial statements. In arriving at this judgement the directors have reviewed the cash flow projections of the group for the foreseeable future and have considered existing commitments together with the financial resources available to the group.

### 23 Capital commitments

The group and company had no capital commitments as at 31 December 2014 or 31 December 2013.

## **Protim Solignum Limited and its subsidiary undertakings**

### **Notes to the financial statements**

#### **For the year ended 31 December 2014**

#### **24 Ultimate parent undertaking and related parties**

Until 14 August 2014, the Company was a wholly owned subsidiary of Osmose Inc. which was the immediate parent undertaking. Up to this date, the directors considered OHI Parent Inc. to be the ultimate and controlling party, a company registered in the USA.

From the 14 August 2014 the group was purchased within a deal selling the Osmose Timber Treatment and Railroad Divisions to an ultimate holding company of Koppers Inc, an American Public Company registered in the USA and quoted on the New York Stock Exchange. From this date, the directors consider the immediate parent company to be Koppers Performance Chemicals Inc, and the ultimate and controlling party to be Koppers Holdings Inc.

Protim Solignum Limited is the smallest group and Koppers Inc. is the largest group for which publicly available consolidated financial statements are drawn up.