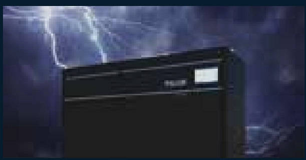
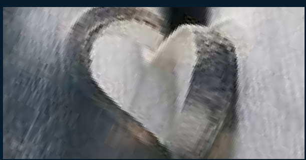
LANGLEY

Langley Holdings plc
Annual Report & Accounts 2015

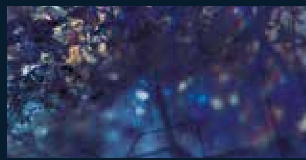
2015

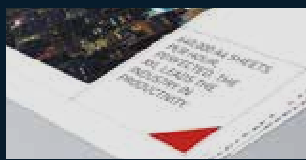
langleyholdings.com






04





Contents

Section 1

Group Profile

Group ... 3

Manroland Sheetfed ... 4

Piller ... 7

Claudius Peters ... 8

ARO ... 11

Other Businesses ... 12

Global Locations ... 14

Section 2

IFRS Annual Report and Accounts 2015

Company Information ... 17

Key Highlights ... 18

Chairman's Review ... 19

Geographical Distribution ... 24

Directors' Report ... 25

Strategic Report ... 27

Independent Auditor's Report to the Member ... 29

Consolidated Income Statement ... 31

Consolidated Statement of Comprehensive Income ... 32

Consolidated Statement of Financial Position ... 33

Consolidated Statement of Changes in Equity ... 34

Company Statement of Financial Position ... 35

Company Statement of Changes in Equity ... 36

Consolidated Statement of Cash Flows ... 37

Company Statement of Cash Flows ... 38

Notes to the Accounts ... 39


04

LANGLEY

Group

Langley Holdings plc is a diverse, globally operating engineering group headquartered in the United Kingdom.

The group comprises 5 divisions, based principally in Germany, France and the United Kingdom, with a substantial presence in the United States and more than 80 subsidiaries worldwide. The group employs around 4,300 people.

Established in 1975 by the current Chairman and CEO, the Langley group is financially independent and remains under family ownership.

Opposite page: The Langley racing yacht *Gladiator*. In common with Langley businesses, competitive sailing represents the very best technology in its field, attracts highly talented people and is conducted with the highest standards of integrity.

5 DIVISIONS

MORE THAN 80 SUBSIDIARIES

CIRCA 4,300 EMPLOYEES

Location: Germany | **Activity:** Printing press builder | **Revenue 2015:** €291.9m | **Employees:** 1,609

Manroland Sheetfed

manrolandsheetfed.com

Manroland Sheetfed is a leading producer of sheetfed offset litho printing presses. Founded in 1871, the company is a watchword for quality and reliability to printers worldwide.

Formerly part of the MAN group, Manroland Sheetfed GmbH became part of the Langley group in 2013. The company is headquartered and produces all of its iconic presses in Offenbach-am-Main, Germany.

A WATCHWORD FOR QUALITY AND RELIABILITY TO PRINTERS WORLDWIDE

Manroland presses continue to lead the way in high quality, sheetfed litho printing around the world.

Piller is a global innovator in UPS power protection solutions, offering a range of products and categories specifically for data centres.

Location: Germany | **Activity:** Power protection systems, airport ground power systems, naval military systems |
Revenue 2015: €190.8m | **Employees:** 840

LANGLEY

Piller

piller.com

Piller Power Systems is Europe's leading producer of uninterruptable power supply (UPS) systems for high-end data centres. Piller also manufactures ground power systems for civil and military airports and on-board electrical systems for naval vessels.

Piller was founded in 1909 and acquired by Langley from the German utility, RWE, in 2004. The company is headquartered at Osterode am Hartz, near Hanover, in Germany.

EUROPE'S LEADING PRODUCER OF UPS SYSTEMS FOR DATA CENTRES

Location: Germany | **Activity:** Plant machinery, aerospace components | **Revenue 2015:** €123.7m | **Employees:** 562

Claudius Peters

claudiuspeters.com

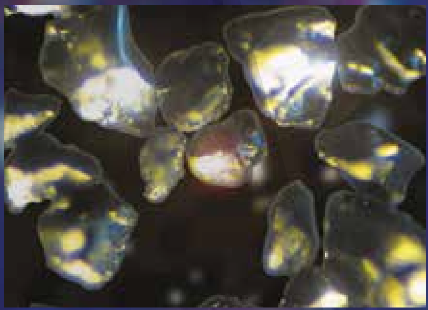
For more than a century, Claudius Peters has been producing innovative materials handling and processing systems for the global cement & gypsum, iron & steel and alumina industries.

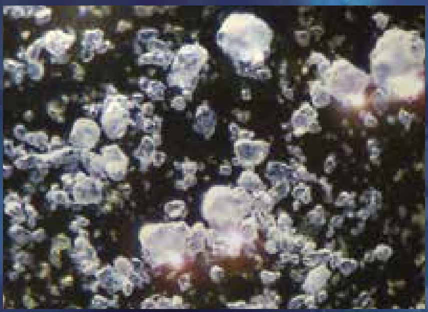
The company's aerospace division manufactures aircraft stringers, several kilometres are found in every Airbus built.

Established in 1906, Claudius Peters was a member of the British Babcock group from the mid 20th century, until being acquired by Langley in 2001. The company is headquartered near Hamburg, in Germany.

EQUIPMENT FOR CEMENT, GYPSUM AND ALUMINA PRODUCTION

The Claudius Peters Technikum (Technical Centre) has proven the characteristics of approximately 13,000 different bulk materials.





ARO is a world leader in resistance welding technologies with specific expertise in aluminium welding.

LANGLEY

ARO

arotechnologies.com

ARO is widely regarded as the world leader in resistance welding to the automotive industry.

The company was founded in 1949, becoming part of the German engineering group IWKA, before being acquired by Langley in 2006.

The ARO group is headquartered near Le Mans, in France. The company also produces in the US and China.

WORLD LEADERS
IN AUTOMOTIVE
WELDING TECHNOLOGY

Location: Germany, UK, USA & various | **Activity:** Diverse capital equipment, Construction, Chemicals | **Revenue 2015:** €140.8m | **Employees:** 755

Other Businesses

langleyholdings.com

Other businesses within the Langley group, operating principally at locations in Germany, the UK and USA, are DruckChemie, the printing consumables manufacturer, Bradman Lake, a producer of packaging machinery for the food industry and Reader Cement Products, a producer of cements and cementitious materials for specialised applications.

Other business units within the division include:

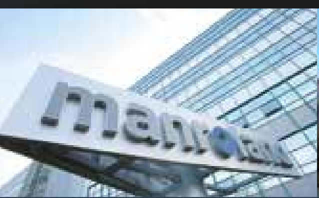
- **Clarke Chapman:** specialist cranes consultants
- **JND:** rotary dryer producer
- **Oakdale Homes:** house builder

The above businesses have their own websites, accessed through the main portal: **www.langleyholdings.com**

DRUCKCHEMIE | BRADMAN LAKE | READER CEMENT PRODUCTS | CLARKE CHAPMAN GROUP | JND | OAKDALE HOMES

Other Langley Holdings businesses comprise specialist chemical production, cement products as well as process and packaging machinery through to industrial cranes, dryers and house building.

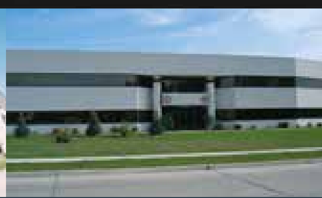
DRUCKCHEMIE
BRADMAN LAKE GROUP
READER CEMENT PRODUCTS
CLARKE CHAPMAN GROUP
JND
OAKDALE HOMES



Offenbach, Germany

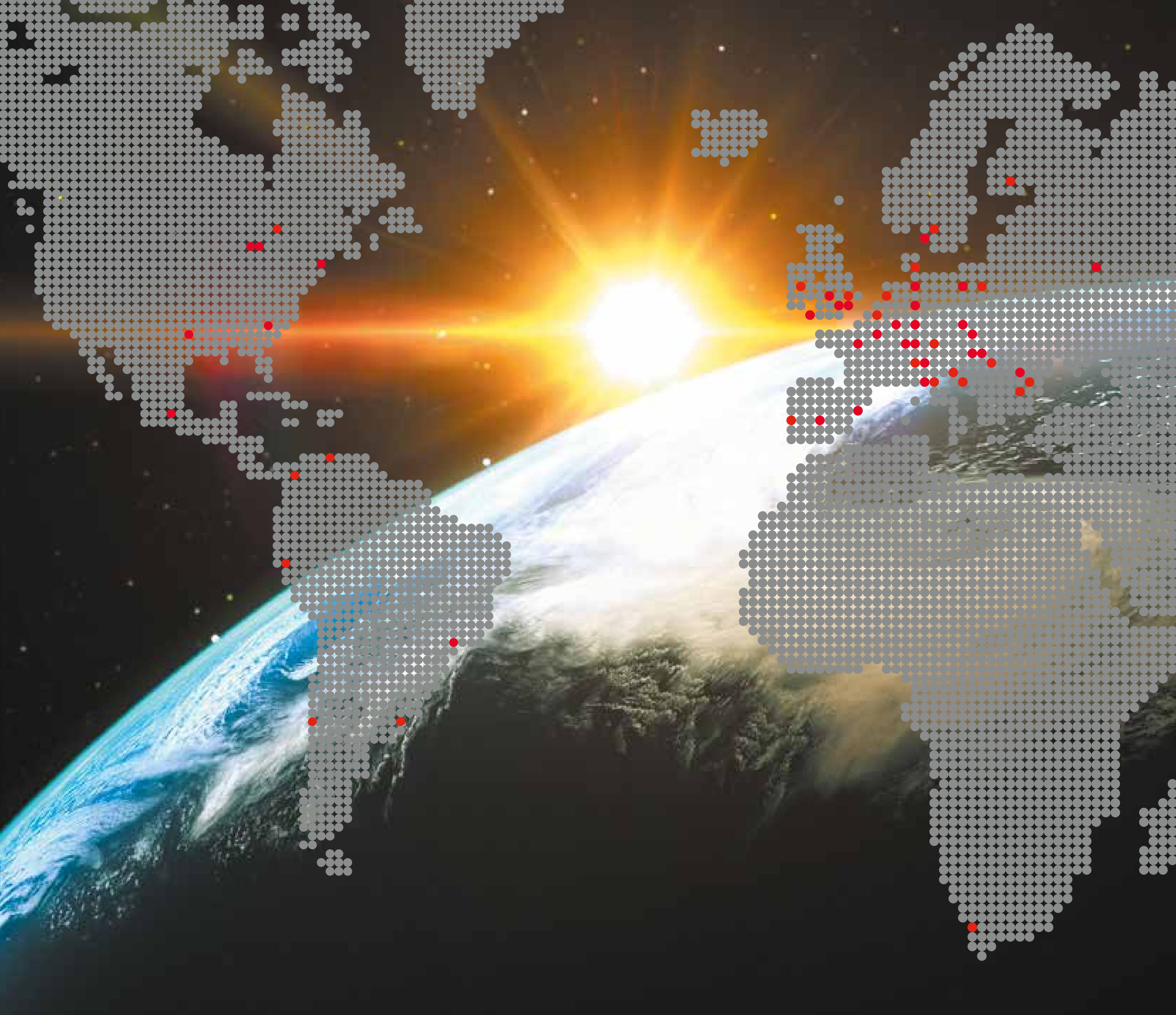
Dallas, USA

New York, USA



Detroit, USA

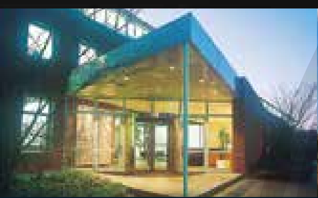
Le Mans, France



Global Locations

ARGENTINA BUENOS AIRES I **ASIA PACIFIC** SINGAPORE I **AUSTRALIA** SYDNEY I **AUSTRIA** WIENER NEUDORF I **BELGIUM** BRUSSELS, WEMMEL I **BRAZIL** SÃO PAULO I **BULGARIA** SOFIA I **CANADA** TORONTO I **CHILE** SANTIAGO I **CHINA** BEIJING, CHENGDU, GUANGZHOU, HONG KONG, SHANGHAI, SHENZHEN, WUHAN I **COLUMBIA** BOGOTA I **CROATIA** ZAGREB I **CZECH REPUBLIC** PRAGUE, KUŘIM I **DENMARK** BALLERUP I **FINLAND** VANTAA I **FRANCE** LE MANS, MULHOUSE, PARIS, SOPPE LE BAS I **GERMANY** FRANKFURT, HAMBURG, HANOVER, AUGSBURG, STUTTGART I **HUNGARY** BUDAPEST I **INDIA** MUMBAI I **INDONESIA** JAKARTA I **IRELAND** DUBLIN I **ITALY** BERGAMO, MILAN I **JAPAN**

OVER 80 SUBSIDIARIES WORLDWIDE


Hamburg, Germany


Mulhouse, France


Hanover, Germany

Stuttgart, Germany


Retford, UK

SAITAMA I **MALAYSIA** SELANGOR I **MEXICO** PUEBLA I **NETHERLANDS** AMSTERDAM, HELMOND I **PERU** LIMA I **POLAND** NADARZYN, GNIEZNO I **PORTUGAL** SINTRA I **ROMANIA** BUCHAREST, SIBIU I **RUSSIA** MOSCOW I I **SLOVAKIA** BRATISLAVA I **SLOVENIA** LJUBLJANA I **SOUTH AFRICA** CAPE TOWN I **SPAIN** BARCELONA, MADRID I **SWEDEN** FJÄRÅS, TROLLHÄTTAN I **SWITZERLAND** KIRCHBERG, ROGGLISWIL I **TAIWAN** NEW TAIPEI CITY I **THAILAND** BANGKOK I **UNITED KINGDOM** VARIOUS LOCATIONS I **USA** DALLAS, DETROIT, NEW YORK, ROCK HILL (SOUTH CAROLINA), WESTMONT I **VENEZUELA** CARACAS

● **Principal subsidiary locations**

IFRS Annual Report and Accounts 2015

Company Information

YEAR ENDED 31 DECEMBER 2015

DIRECTORS:	A J Langley – Chairman B J Langley B A Watson
SECRETARY:	B A Watson
REGISTERED OFFICE:	Enterprise Way Retford Nottinghamshire DN22 7HH England
REGISTERED IN ENGLAND NUMBER:	1321615
AUDITOR:	Nexia Smith & Williamson Chartered Accountants Statutory Auditor Portwall Place Bristol BS1 6NA England
PRINCIPAL BANKERS:	Barclays Bank plc PO Box 3333 Snowhill Queensway Birmingham B4 6GN England Deutsche Bank AG Adolphsplatz 7 20457 Hamburg Germany Commerzbank AG Sand 5-7 21073 Hamburg Germany

Key Highlights

YEAR ENDED 31 DECEMBER 2015

	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
REVENUE	874,506	779,367
OPERATING PROFIT BEFORE NON-RECURRING ITEMS	104,866	91,085
NON-RECURRING ITEMS	–	7,392
OPERATING PROFIT	104,866	98,477
PRE TAX PROFIT	106,688	100,649
NET ASSETS	623,639	562,917
CASH	329,634	280,747
ORDERS ON HAND	301,221	278,882
	No.	No.
EMPLOYEES	4,266	4,371

Chairman’s Review

YEAR ENDED 31 DECEMBER 2015

In the year to 31 December 2015 the group recorded revenues of €874.5 million (2014: €779.4 million) and generated an operating profit of €104.9 million (2014: €98.5 million). Income from finance activities contributed a further €2.0 million (2014: €2.4 million) There were no non-recurring gains during the period (2014: €7.4 million) which resulted in a profit before tax of €106.7 million (2014: €100.6 million). At year end the consolidated cash balance stood at €329.6 million (2014: €280.7 million) and is after a €1.7 million debt taken over late in 2014, being paid off in the year. A shareholder dividend of €30.0 million was paid in April and at year end the group’s net assets were €623.6million (2014: €562.9 million). Orders on hand were €301.2 million (2014: €278.9 million).

In 2015, profits before tax from normal trading activities exceeded €100 million for the first time. Despite having passed that milestone before with non-recurring gains, it was none the less a significant milestone to pass, even though a devalued euro meant that our US, UK and other non-euro earnings bolstered the figure somewhat.

2015 was also a milestone year for other reasons. In January I was pleased to welcome my youngest son, William, to the business. In October, at 20 years of age, I appointed him Managing Director of our cement products business. In the same month my father, John, stepped down from the board aged 85 and my eldest son, Bernard, was invited to join the main board. Bernard turns 23 years of age in March this year and joined the business three years ago. He has been successfully running our house building company for just over two years. This all coincided with my beginning the business that is today Langley Holdings plc forty years earlier, in October 1975, also at 20 years of age.

The revenue increase in 2015 compared with 2014, was largely due to including €67 million from DruckChemie, the speciality chemicals business acquired by the group towards the end of 2014. Like for like revenue of the group increased by some 3.5%. The increase in orders on hand of 8% was entirely due to the capital producers in the group. DruckChemie does not recognise an order book as such, due to the short turnaround of products in that business. The same is true of around 25% of revenue derived from service and parts elsewhere in the group. Cash advanced substantially from just over €280 million in 2014 to almost €330 million at the end of 2015, the policy of acquiring operating properties being extensively complete and there were no company acquisitions in the period. Research & Development expenditure is written off to the Income Statement and not capitalised in any of the businesses.

MANROLAND SHEETFED DIVISION

Revenue: €291.9m. (2014: €288.2m). Orders on hand: €79.5m. (2014: €48.3m).
Headquarters: Germany. Employees: 1,609.

Manroland Sheetfed, the printing press builder and the largest of our divisions in revenue (33%) and employee (37%) terms, performed in line with expectations in 2015. The division contributed around 10% towards the group result with revenues of €291.9 million. It was a very similar year to 2014. The market for new presses saw something of an improvement in 2015 with a flush of orders, following the euro devaluation early last year, but that petered later in the year. New press margins remained thin, although the aftermarket continued to be robust. New press sales dropped dramatically right across the industry in the aftermath of the financial crisis, which means that the stock of presses in the field has become older and as this equipment continues to age, demand for replacement parts and service has tended to increase. The two principal competitors, both German, continue to languish and their re-alignment of capacity to current demand remains glacially slow. With over-supply new press prices remain depressed and will continue to be so until supply is aligned with demand. However, our press manufacturer is correctly structured. Before we acquired Manroland four years ago, the business was a lumbering leviathan. Today, it is an efficient business with its break even point a fraction of former levels. During our stewardship production has been consolidated to a single location and rationalised, surplus buildings and machinery disposed of and head counts significantly reduced. Stock, debtors and other assets acquired at a substantial discount have been turned to cash and cash collection has significantly improved. During this period, research and development has continued and the next-generation platform, the Roland 700 Evolution, was launched in November 2014. The Evolution has been well received by the market in 2015 and is now firmly established. All in all, I am very satisfied with the achievements in this division and pleased to report that towards the end of 2015, the group cash position passed the level it would have been, had the acquisition not taken place. We now have our money back, a healthy order backlog going into 2016 and much potential for the future.

PILLER DIVISION

Revenue: €190.8m. (2014: €181.8m). Orders on hand: €100.5m. (2014: €85.4m).
Headquarters: Germany. Employees: 840.

Piller, the producer of advanced power conditioning and back-up systems for data centres, that also produces aircraft ground power equipment and naval military electrical systems, was once again the strongest contributor to the group's 2015 result. At €190.8 million, revenues for 2015 were some €10 million up on 2014. Piller's largest subsidiary in the US, also the division's largest market, had an exceptionally strong year benefitting most from a weak euro. Similarly, earnings from the UK, Australia and other non-euro subsidiaries drove profits to a near all-time high. Production facilities in Germany were reasonably loaded throughout the year, although there was much more capacity available at the Bilshausen facility, which assembles and tests the largest diesel coupled systems. However, this facility was invested in heavily a few years ago, doubling its size and it is yet to reach full potential. About one third of revenues were recognised in the final quarter as order intake lagged behind plan for much of the year, only catching up in the final month. Piller goes into 2016 with around €100 million of capital orders backlog, and the current year looks promising. In March this year, Piller will launch a new concept of conditioning power for data centres, simultaneously at trade fairs in Hanover and Las Vegas. Although the new product will not come to market until 2017 due to extensive testing, it offers much potential longer term.

CLAUDIUS PETERS DIVISION

Revenue: €123.7m. (2014: €125.6m). Orders on hand: €57.7m (2014: €82.1m).
Headquarters: Germany. Employees: 562.

The principal activity of Claudius Peters is the design and manufacture of plant machinery for the cement & gypsum, iron & steel and alumina industries. These sectors are the longest cycle markets the group is engaged in and, for most part, these sectors remained subdued in 2015 with no early indication of an improvement. Political uncertainties in Russia continued to weigh on Claudius Peters' order intake, as did a slump in demand from Brazil. However, the division's geographic markets are sufficiently diverse that Claudius Peters does not rely on any one territory and a relaxing of international trade sanctions with Iran, traditionally a good market for Claudius Peters, should bring some cheer in due course. Meanwhile, Claudius Peters' subsidiary in the US continued to do well on the back of a weak euro and strengthening US economy. China also contributed solidly and problem contracts at Claudius Peters SAS, the French subsidiary, are now in the past. Smaller subsidiaries in the UK, Italy and Spain were in line with expectations. Headquartered near Hamburg in Germany, the company also produces components for Airbus, which goes some way to counter the cyclicality of the plant machinery business. The aerospace activity performed as expected and the division overall reported a satisfactory result in the circumstances, ahead of an albeit cautious plan.

ARO DIVISION

Revenue: €127.3m. (2014: €116.6m). Orders on hand: €32.4m. (2014: €33.5m).
Headquarters: France. Employees: 500.

ARO is the leading producer of automotive welding equipment in Europe and the US. Based near Le Mans in France and Detroit, USA, the division experienced another remarkably successful year in 2015, the fifth in succession. Both European and US automobile producers continued to invest in new production lines. Investment in new vehicle production facilities outside of Europe remained buoyant, particularly in the US, and utilisation at our factories on both sides of the Atlantic and in China remained high. An expected downturn in demand for ARO's products has not, as yet, materialised despite a slump in Russia and Brazil and all three of ARO's factories are well loaded into 2016. No doubt at some point the investment cycle will come full circle and we will see a downturn. When that happens, ARO is structured such that capacity can be adjusted quickly and without major cost implications. In the meantime the business continues to enjoy remarkable success.

OTHER BUSINESSES

Revenue: €140.8m. (2014: €67.2m). Orders on hand: €31.1m. (2014: €29.6m).
Located: United Kingdom, Europe & United States. Employees: 755.

Our other businesses division now includes DruckChemie, the specialty chemicals producer, acquired towards the end of 2014. DruckChemie accounts for roughly half of the division in revenue terms and had a satisfactory first full year. Bradman Lake, the food packaging machinery specialist, which accounts for about a quarter of Other Business Division revenues, also posted a satisfactory result, despite struggling with a strong pound and dollar against its mainly European competitors. The remainder of the division includes Clarke Chapman, the specialist crane builder, which had another very satisfactory year and secured a major nuclear order in the period. Reader Cement Products also performed well and will be moving to a newly acquired 3 hectare site this year, where new plant which will quadruple the business's capacity, is currently being installed. PEI, the pressure vessel fabricator is being closed after successive years of losses and Protran LPG delivery vehicles will be built at Clarke Chapman's facility in the north east of England. This leaves the remainder of JND, a profitable parts and consultancy business capable of building rotary dryers when required and Oakdale Homes, the small house builder in the group, which has finally generated a small operating profit after several years of losses.

OUR PEOPLE

As is customary, no review would be complete without mention of our employees, today numbering around 4,300 worldwide. It is their hard work and diligence that make our group the success it is today. The very good results produced by our companies, often substantially exceeding corporate and private equity owned peers, are no accident however. They come about by our people knowing that Langley culture is forged not from short term profits or from creating 'shareholder value' by buying and selling businesses, but by long term development of our businesses. I believe this not only gives our people the will to excel, but also fosters confidence amongst our many customers, suppliers and other stakeholders.

In 2015 we introduced a policy whereby our companies equally match any charitable donations made by employees. During the year the companies matched €62,684 of employee donations to a variety of causes. Additional to this the family established its own charitable foundation just prior to year end, which will receive an initial donation of €1.3 million this year.

Finally on the subject of people, during 2015 I was informed by Manroland management in Germany that they had been approached by the local government to rent some surplus office accommodation close by to house refugees from Syria. Whether I agreed to or declined the request there were always going to be those of our workforce that disagreed with my decision on this very emotive subject. I wanted to know how many were in favour and how many against, so instructed a ballot of all 800 people working at the location to be held. 75% of the workforce voted in favour and now refugee families will be housed for up to four years on our premises.

CONCLUSION & OUTLOOK 2016

In my reviews over the last few years, I had been expecting something of a down turn. In revenue terms that materialised in 2014 but the result was robust, albeit bolstered by a number of one off gains. 2015 saw a small increase in underlying revenue and was another extremely successful year for our group. With only minor exceptions, our businesses performed in line with, or ahead of plan in 2015 and once again much credit is due to our management and employees for achieving this.

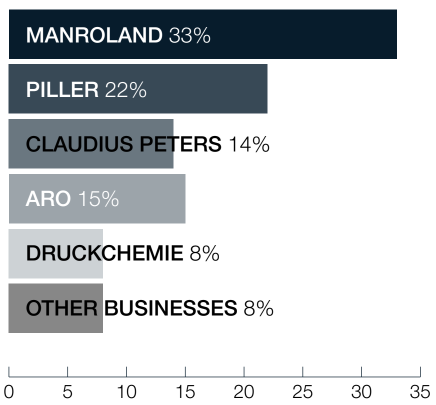
The outlook in 2016 is also positive. With total orders on hand for capital equipment at the end of 2015 standing at over €300 million, the order backlog is healthy and whereas political and economic uncertainties may or may not impact our businesses, this has always been the case. I am reasonably confident that 2016 will be another successful trading year for our group and we will continue to search out new acquisition opportunities to develop the group further.

Anthony J Langley
Chairman
3 February 2016

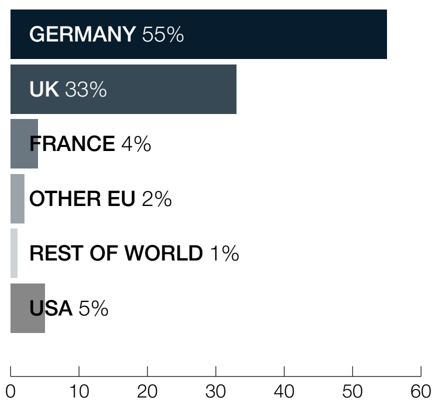
Geographical Distribution

YEAR ENDED 31 DECEMBER 2015

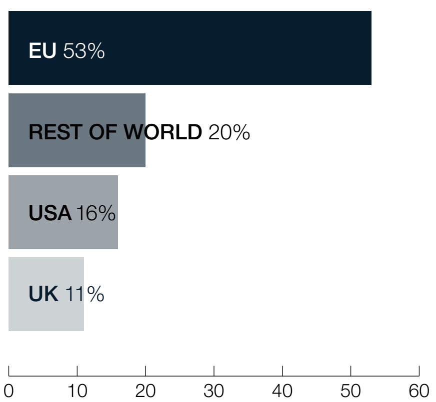
REVENUE BY DIVISION



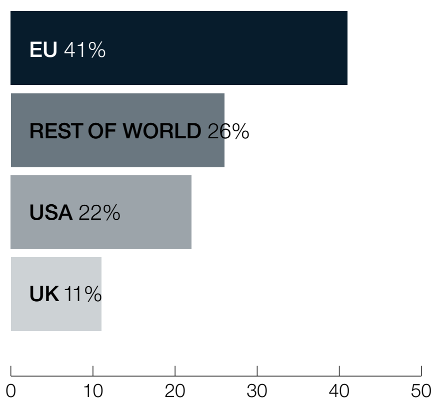
SITU OF FIXED ASSETS



REVENUE BY ORIGIN



REVENUE BY DESTINATION



LANGLEY

Directors' Report

YEAR ENDED 31 DECEMBER 2015

The Directors present their report together with the audited Accounts of the Group for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company continued to be that of a managing and parent company for a number of trading subsidiaries organised in divisions and business units engaged principally in the design, manufacture, supply and servicing of capital equipment. The specific activities of the subsidiary undertakings are as disclosed in note 14 to the Accounts.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out on page 31. The profit attributable to the shareholder for the financial year was €75,836,000 (2014 - €76,195,000).

Dividends of €30,000,000 were paid to the ordinary shareholder during the year (2014 - €25,000,000). No final dividend was proposed at the year end.

Financial risk management, research and development and the Group's employment policy is considered within the Strategic Report.

POLICY ON THE PAYMENT OF CREDITORS

The Group seeks to maintain good relations with all of its trading partners. In particular, it is the Group's policy to abide by the terms of payment agreed with each of its suppliers. The average number of days' purchases included within trade creditors for the Group at the year end was 25 days (2014 - 29 days).

DIRECTORS' INTERESTS

The Directors of the Company in office during the year and their beneficial interests in the issued share capital of the Company were as follows:

	At 31 Dec 2015 Ordinary shares of £1 each	**At 31 Dec 2015 Ordinary shares of £1 each**
A J Langley (Chairman)	60,100,010	60,100,010
J J Langley (Non-Executive)	-	-
B J Langley	-	-
B A Watson	-	-

The shareholding of Mr A J Langley represents 100% of the issued share capital of the Company.

Mr J J Langley resigned as Non-Executive Director on 21 October 2015. Mr B J Langley was appointed Director on 21 October 2015.

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware there was no relevant available information of which the Company's auditors were unaware; and
- that Director had taken all steps that the Director ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Directors' Report (continued)

YEAR ENDED 31 DECEMBER 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 Group and Parent Company Accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the Parent Company Accounts, as applied in accordance with the provisions of the Companies Act 2006. 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 Group and of the profit or loss of the Group for that period.

In preparing these Accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed subject to any material departures disclosed and explained in the Accounts; and;
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Group 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 are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

B A WATSON
Company Secretary

Langley Holdings plc
Registered in England and Wales
Company number 01321615
3 February 2016

Strategic Report

YEAR ENDED 31 DECEMBER 2015

The Directors present their Strategic Report for the year ended 31 December 2015 to provide a review of the Group's business, principal risks and uncertainties and performance and position alongside key performance indicators.

(a) Development performance and position

The Directors are satisfied with the trading results of the Group for the year. The Chairman's Review on pages 19 to 23 contains an analysis of the development and performance of the Group during the year and its position at the end of the year.

(b) Principal risks and uncertainties

There are a number of risks and uncertainties which may affect the Group's performance. A risk assessment process is in place and is designed to identify, manage and mitigate business risks. However it is recognised that to identify, manage and mitigate risks is not the same as to eliminate them entirely. The Group ensures that it limits its exposure to any downturn in its traditional trading sector by continuing to diversify its activities, identifying opportunities for existing product offerings into new markets and for new products for all markets. The Group has a wide range of customers which limits exposure to any material loss of revenue. The Group's exposure to the volatility of exchange rates is mitigated through its geographical spread of operations.

(c) Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Review on pages 19 to 23. The financial position of the Group, its cash flows and liquidity position are also described in the Chairman's Review. In addition, note 31 to the Accounts includes the Group's policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments, and its exposures to credit risk, interest rate risk and liquidity risk.

The Group's subsidiaries are for the most part either market leaders or niche operators in their particular field and operate across numerous different geographic areas and industries. None of the subsidiaries are reliant on any individual supplier or customer and the Group has considerable financial resources. Consequently, the Directors believe that the Group is well placed to manage its business risks successfully.

Thus they continue to adopt the going concern basis of accounting in preparing the annual Accounts.

(d) Financial Risk Management

Prudent liquidity risk management implies maintaining sufficient cash on deposit and the availability of funding through an adequate amount of committed credit facilities. The Directors are satisfied that cash levels retained in the business, committed credit facilities and surety lines are more than adequate for future foreseeable requirements. Further details are set out in note 31 to the Accounts.

Strategic Report (continued)

YEAR ENDED 31 DECEMBER 2015

(e) Key performance indicators (KPI's)

The Board uses a number of tools to monitor the Group's performance including a review of key performance indicators (KPI's) on a regular and consistent basis across the Group. Examples of KPI's currently used include:

Targets

- Regular monthly monitoring of sold and developed contract margins
- Orders on hand
- Cash held

	2015	2014
	€'000	**€'000**
Orders on hand	301,221	278,882
Cash held	329,634	280,747

The Board also considers the following non-financial key performance indicator:

- Staff turnover

These are reviewed monthly on information provided to the Board and details are shown on page 18.

(f) Research and development

The Group is committed to innovation and technical excellence. The Group, through its divisions, maintains a programme of research and development to ensure that it remains at the forefront of respective technologies in its key sectors.

(g) Employment Policy

The Group is committed to a policy of recruitment and promotion on the basis of aptitude and ability, without discrimination of any kind, and to training for the existing and likely needs of the business.

It is the Group's policy to keep its employees informed on matters affecting them and actively encourage their involvement in the performance of the Group.

By order of the Board

B A WATSON
Company Secretary

Langley Holdings plc

Registered in England and Wales

Company number 01321615

3 February 2016

Independent Auditor's Report to the Member

YEAR ENDED 31 DECEMBER 2015

We have audited the Accounts of Langley Holdings Plc for the year ended 31 December 2015 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and the related notes 1 to 40. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company Accounts, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's member, 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 member 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 member, 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 26, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE ACCOUNTS

A description of the scope of an audit of Accounts is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON ACCOUNTS

In our opinion:

- the Accounts give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2015 and of the Group's profit for the year then ended;
- the Group Accounts have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company Accounts have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the Accounts have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditor’s Report to the Member (continued)

YEAR ENDED 31 DECEMBER 2015

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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 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.

Michael Neale
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Portwall Place
Portwall Lane
Bristol BS1 6NA

3 February 2016

Consolidated Income Statement

YEAR ENDED 31 DECEMBER 2015

	Note	2015 €'000	2014 €'000
REVENUE	2	874,506	779,367
Cost of sales		(570,813)	(512,453)
GROSS PROFIT		303,693	266,914
Net operating expenses	3	(198,827)	(168,437)
OPERATING PROFIT	4	104,866	98,477
OPERATING PROFIT BEFORE NON-RECURRING ITEMS		104,866	91,085
NON-RECURRING ITEMS		-	7,392
		104,866	98,477
Finance income	5	1,987	2,436
Finance costs	6	(165)	(264)
PROFIT BEFORE TAXATION		106,688	100,649
Income tax expense	10	(30,852)	(24,454)
PROFIT FOR THE YEAR		75,836	76,195

Profit for the year is attributable to the Equity holder of the Parent Company.

The notes on pages 39 to 94 form part of these accounts

Consolidated Statement of Comprehensive Income

YEAR ENDED 31 DECEMBER 2015

	Note	2015 €'000	2014 €'000
Profit for the year		75,836	76,195
Other comprehensive income:			
Items which will not be reclassified to profit and loss			
Remeasurement loss on defined benefit pension schemes	9	(74)	(489)
Deferred tax relating to remeasurement	29	13	98
		(61)	(391)
Other deferred tax movements	29	35	34
Items which may be reclassified to profit and loss			
Exchange differences on translation of foreign operations	37	14,812	15,324
Other comprehensive income for the year		14,786	14,967
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		90,622	91,162

Total comprehensive income for the year is attributable to the Equity holder of the Parent Company.

The notes on pages 39 to 94 form part of these accounts

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2015

	Note	2015 €'000	€'000	2014 €'000	€'000
NON-CURRENT ASSETS					
Intangible assets	12		3,353		3,312
Property, plant and equipment	13		202,214		202,266
Investments	14		14		15
Trade and other receivables	15		3,482		1,983
Deferred income tax assets	29		22,377		24,825
Income tax recoverable	16		-		39
			231,440		232,440
CURRENT ASSETS					
Inventories	17	161,149		153,687	
Trade and other receivables	19	165,824		164,925	
Cash and cash equivalents	20	329,634		280,747	
Current income tax recoverable	21	8,163		6,493	
		664,770		605,852	
CURRENT LIABILITIES					
Current portion of long term borrowings	25	129		110	
Current income tax liabilities	24	11,964		13,677	
Trade and other payables	22	189,277		181,020	
Provisions	23	23,016		28,346	
		224,386		223,153	
NET CURRENT ASSETS			440,384		382,699
Total assets less current liabilities			671,824		615,139
NON-CURRENT LIABILITIES					
Provisions	23	1,950		3,149	
Long term borrowings	26	173		778	
Trade and other payables	27	15,480		14,648	
Retirement benefit obligations	28	13,004		12,874	
Deferred income tax liabilities	29	17,578		20,773	
			48,185		52,222
NET ASSETS			623,639		562,917
EQUITY					
Share capital	34		71,227		71,227
Merger reserve	35		4,491		4,491
Revaluation reserve	36		3,849		3,929
Retained earnings	37		544,072		483,040
Minority interest	38		-		230
TOTAL EQUITY			623,639		562,917

Approved by the Board of Directors on 3 February 2016 and signed on its behalf by

A J LANGLEY
Director

B J LANGLEY
Director

The notes on pages 39 to 94 form part of these accounts

Consolidated Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2015

	Share capital €'000	Merger reserve €'000	Revaluation reserve €'000	Retained earnings* €'000	Minority interest €'000	Total €'000
AT 1 JANUARY 2014	71,227	4,491	4,011	416,796	-	496,525
Profit for the year	-	-	-	76,195	-	76,195
Depreciation transfer	-	-	(82)	116	-	34
Currency exchange difference arising on retranslation	-	-	-	15,324	-	15,324
Remeasurement of defined benefit schemes net of deferred tax	-	-	-	(391)	-	(391)
TOTAL COMPREHENSIVE INCOME	-	-	(82)	91,244	-	91,162
Dividends paid	-	-	-	(25,000)	-	(25,000)
New minority interest	-	-	-	-	230	230
AT 31 DECEMBER 2014	71,227	4,491	3,929	483,040	230	562,917
Profit for the year	-	-	-	75,836	-	75,836
Depreciation transfer	-	-	(80)	115	-	35
Currency exchange difference arising on retranslation	-	-	-	14,812	-	14,812
Remeasurement of defined benefit schemes net of deferred tax	-	-	-	(61)	-	(61)
TOTAL COMPREHENSIVE INCOME	-	-	(80)	90,702	-	90,622
Dividends paid	-	-	-	(30,000)	-	(30,000)
Purchase of minority interest	-	-	-	330	(230)	100
AT 31 DECEMBER 2015	71,227	4,491	3,849	544,072	-	623,639

* Movements in foreign currency translation reserves are detailed in note 37.

The notes on pages 39 to 94 form part of these accounts

Company Statement of Financial Position

AS AT 31 DECEMBER 2015

	Note	2015 €'000	€'000	2014 €'000	€'000
NON-CURRENT ASSETS					
Property, plant and equipment	13		23,347		21,157
Investments	14		92,144		87,065
Deferred income tax assets	29		76		45
			115,567		108,267
CURRENT ASSETS					
Inventories	17	-		12	
Trade and other receivables	19	152,687		155,887	
Cash and cash equivalents	20	162,969		113,426	
Current income tax recoverable	21	706		368	
		316,362		269,693	
CURRENT LIABILITIES					
Trade and other payables	22	3,299		3,343	
		3,299		3,343	
NET CURRENT ASSETS			313,063		266,350
Total assets less current liabilities			428,630		374,617
NET ASSETS			428,630		374,617
EQUITY					
Share capital	34		71,227		71,227
Merger reserve	35		4,491		4,491
Retained earnings	37		352,912		298,899
TOTAL EQUITY			428,630		374,617

Approved by the Board of Directors on 3 February 2016 and signed on its behalf by

A J LANGLEY
Director

B J LANGLEY
Director

The notes on pages 39 to 94 form part of these accounts

Company Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2015

	Share capital €'000	Merger reserve €'000	Retained earnings* €'000	Total €'000
AT 1 JANUARY 2014	71,227	4,491	225,408	301,126
Profit for the year	-	-	86,512	86,512
Currency exchange differences arising on retranslation	-	-	11,979	11,979
TOTAL COMPREHENSIVE INCOME	-	-	98,491	98,491
Dividends paid	-	-	(25,000)	(25,000)
AT 31 DECEMBER 2014	71,227	4,491	298,899	374,617
Profit for the year	-	-	70,396	70,396
Currency exchange differences arising on retranslation	-	-	13,617	13,617
TOTAL COMPREHENSIVE INCOME	-	-	84,013	84,013
Dividends paid	-	-	(30,000)	(30,000)
AT 31 DECEMBER 2015	71,227	4,491	352,912	428,630

* Movements in foreign currency translation reserves are detailed in note 37.

The notes on pages 39 to 94 form part of these accounts

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2015

	Note	2015 €'000	€'000	2014 €'000	€'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	40		110,738		107,408
Bank and loan interest paid			(165)		(264)
Interest received			1,987		2,436
Income taxes paid			(34,453)		(26,293)
NET CASH FROM OPERATING ACTIVITIES			78,107		83,287
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash acquired on business combinations		-		7,223	
Consideration for business combinations, including acquisition costs		-		(22,166)	
Purchase of intangible assets		(333)		(83)	
Purchase of property, plant and equipment		(10,990)		(57,617)	
Proceeds from sale of property, plant and equipment		1,807		7,112	
NET CASH USED IN INVESTING ACTIVITIES		(9,516)		(65,531)	
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of amounts borrowed		(586)		(1,245)	
Purchase of minority interest		(100)		-	
Dividends paid to the shareholder		(30,000)		(25,000)	
NET CASH USED IN FINANCING ACTIVITIES			(30,686)		(26,245)
Net increase / (decrease) in cash and cash equivalents			37,905		(8,489)
Cash and cash equivalents at 1 January 2015			280,747		278,645
Effects of exchange rate changes on cash and cash equivalents			10,982		10,591
Cash and cash equivalents at 31 December 2015			329,634		280,747
CASH AND CASH EQUIVALENTS CONSISTS OF:					
Cash in hand, at bank and short term deposits	20		329,634		280,747

The notes on pages 39 to 94 form part of these accounts

Company Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2015

		2015		2014	
	Note	**€'000**	**€'000**	**€'000**	**€'000**
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from / (used in) operations	40		7,786		(42,615)
Interest paid			(11)		(12)
Interest received			6,688		4,974
Income taxes paid			(683)		(335)
NET CASH FROM OPERATING ACTIVITIES			13,780		(37,988)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received		62,810		81,214	
Purchase of property, plant and equipment		(2,487)		(11,910)	
Proceeds from sale of property, plant and equipment		185		165	
NET CASH GENERATED FROM INVESTING ACTIVITIES			60,508		69,469
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to the shareholder		(30,000)		(25,000)	
NET CASH USED IN FINANCING ACTIVITIES			(30,000)		(25,000)
Net increase in cash and cash equivalents			44,288		6,481
Cash and cash equivalents at 1 January 2015			113,426		102,306
Effects of exchange rate changes on cash and cash equivalents			5,255		4,639
Cash and cash equivalents at 31 December 2015			162,969		113,426
CASH AND CASH EQUIVALENTS CONSISTS OF:					
Cash in hand, at bank and short term deposits	20		162,969		113,426

The notes on pages 39 to 94 form part of these accounts

Notes to the Accounts

YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES

a Basis of preparation

Langley Holdings plc is a Company incorporated in the United Kingdom.

The Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved for use in the European Union applied in accordance with the provisions of the Companies Act 2006.

The Accounts have been prepared on a historical cost basis, except for the revaluation of property, plant and equipment and measurement of defined benefit pension schemes.

New and amended standards which became effective during the year

Adjustments to the Accounts arising from the adoption of amendments to IAS 19 are disclosed below. There were a number of other Amendments to Standards, but none of these had a material impact on the Group in the current period.

New and amended standards which are not effective for the current period

IFRS 9, *Financial Instruments*, IFRS 15, *Revenue from Contracts with Customers* and IFRS 16, *Leases* are in issue but are not yet effective so the Group has not adopted these standards in these Accounts.

A number of Amendments and Improvements have also been issued but are not yet effective including dealing with presentation of revalued assets, acceptable methods of depreciation and consideration of material disclosures. The directors are currently assessing the impact of these new Standards, Improvements and Amendments on the Group's Accounts.

Amendments to IAS 19, *Defined Benefit Plans: Employee Contributions*

The Group has applied the amendments to IAS 19 to for the first time in the current year. The amendments permit contributions that are independent of the number of years of service to be recognised as a reduction in the service cost in the period in which the service is rendered. The amendments have not resulted in any change in the Group or Company statement of financial position.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES (continued)

b Consolidation

The Consolidated Accounts incorporate the Accounts of the Company and all of its subsidiary undertakings for the year ended 31 December 2015 using the acquisition method, except for common control transactions, and exclude all intra-group transactions. Assets, liabilities and contingent liabilities of acquired companies are measured at fair value at the date of acquisition.

Minority interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group.

Any excess or deficiency between the cost of acquisition and fair value is treated as positive goodwill or a gain on bargain purchase as described below. Where subsidiary undertakings are acquired or disposed of during the year, the results and turnover are included in the Consolidated Income Statement from, or up to, the date control passes.

The Company has taken advantage of the exemption granted by Section 408 of the Companies Act 2006 from presenting its own Income Statement (note 11).

c Goodwill

When the fair value of the consideration for an acquired undertaking exceeds the fair value of its separable net assets, the difference is treated as purchased goodwill and is recognised as an asset at cost and reviewed for impairment annually. Any impairment is recognised immediately in the Consolidated Income Statement and is not reversed in subsequent years.

Where the fair value of the separable net assets exceeds the fair value of the consideration for an acquired undertaking the difference is credited to the Consolidated Income Statement in the year of acquisition.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES (continued)

d Impairment of intangible assets

Assets that have an indefinite useful life are not subject to amortisation and are reviewed for impairment annually and when there are indications that the carrying value may not be recoverable. Assets that are subject to amortisation are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The amortisation charged on those intangible assets that do not have an indefinite useful life is calculated as follows:

Patents and licenses	-	2 to 10 years straight line

e Property, plant and equipment

Property, plant and equipment is stated at cost of purchase or valuation, net of depreciation and any impairment provision.

Freehold land	-	not depreciated
Freehold buildings	-	50 years straight line
Vehicles	-	4 to 20 years straight line
Plant and machinery	-	4 to 20 years straight line
Computers	-	3 to 8 years straight line

Revaluations of land and buildings are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the year end.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES (continued)

f Financial instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables
Trade receivables do not carry any interest and are initially measured at their fair value, and subsequently at their amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts.

Borrowings
Interest-bearing loans and overdrafts are recorded initially when the proceeds are received. Finance charges are accounted for at amortised cost using the effective interest rate method.

Trade payables
Trade payables are non-interest bearing and are initially measured at their fair value and subsequently at their amortised cost.

g Investments

Investments represent the Parent Company's holdings in its subsidiaries and are presented as non-current assets and stated at cost less any impairment in value. Any impairment is charged to the Company Income Statement.

h Inventories and work in progress

Inventories are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials and consumables	-	cost of purchase on first in, first out basis.
Finished goods	-	cost of raw materials and labour together with attributable overheads.
Work in progress	-	cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES (continued)

i Construction contracts

Contract costs are recognised when incurred. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The Group uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to either the contract costs incurred up to the year end as a percentage of total estimated costs for each contract, or by reference to milestone conditions as defined in the contracts, as appropriate to the circumstances of the particular contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion, and are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. Progress billings not yet paid by customers and retentions are included within 'trade and other receivables'.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

j Taxes

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

Deferred income tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Accounts. Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES (continued)

k Foreign currencies

(a) Transactions and balances

Transactions in currencies other than euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the year end. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

(b) Accounts of overseas operations

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(c) Preparation of accounts

These Accounts have been presented in euro because the majority of the Group's trade is conducted in this currency. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to a separate component of equity.

The average exchange rate during the year was €1.38 (2014 - €1.25) to the Pound Sterling. The opening exchange rate was €1.28 (2014 - €1.20) to the Pound Sterling and the closing exchange rate was €1.36 (2014 - €1.28) to the Pound Sterling.

l Revenue recognition

Revenue from sale of goods is recognised when the Group has delivered the products and the customer has accepted them, and is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES (continued)

m Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and short-term deposits with banks and similar financial institutions with a maturity of six months or less, and bank overdrafts.

n Post-employment benefit obligations

For defined benefit post-employment schemes, the difference between the fair value of the scheme assets and the present value of the scheme liabilities is recognised as an asset or liability in the Statement of Financial Position.

Any asset recognised is restricted, if appropriate, to the present value of any amounts the Group expects to recover by way of refunds from the plan or reductions in future contributions. Remeasurements of the net surplus / deficit arising in the year are taken to the Statement of Comprehensive Income.

Other movements in the net surplus or deficit are recognised in the Income Statement, including the current service cost and any past service cost. The net interest cost on the net defined benefit liability is also charged to the Income Statement. The amount charged to the Income Statement in respect of these schemes is included within operating costs.

The most significant assumptions used in accounting for pension schemes are the discount rate and the mortality assumptions. The discount rate is used to determine the interest cost and net present value of future liabilities. The discount rate used is the yield on high quality corporate bonds with maturity and terms that match those of the post employment obligations as closely as possible. Where there is no developed corporate bond market in a country, the rate on government bonds is used. Each year, the unwinding of the discount on the net liabilities is charged to the Group's Income Statement as the interest cost. The mortality assumption is used to project the future stream of benefit payments, which is then discounted to arrive at a net present value of liabilities.

Valuations of liabilities are carried out using the projected unit method.

The values attributed to scheme liabilities are assessed in accordance with the advice of independent qualified actuaries.

The Group's contributions to defined contribution pension schemes are charged to the Income Statement in the period to which the contributions relate.

o Leased assets

All leases are "operating leases" and the relevant annual rentals are charged to the Consolidated Income Statement on a straight line basis over the lease term.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES (continued)

p Government grants

Government grants received to fund training of employees are credited to the Consolidated Income Statement in the period received.

q Dividend policy

Dividend distribution to the Company's Shareholder is recognised as a liability in the Group's Accounts in the period in which the dividends are approved by the Company's Shareholder.

r Key assumptions and significant judgements

The preparation of the Accounts in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the Accounts. The areas where the most judgement is required are highlighted below:

i *Pensions*

The determination of the pension cost and defined benefit obligation of the Group's defined benefit pension schemes depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth and mortality. Differences arising from actual experiences or future changes in assumptions will be reflected in subsequent periods. See note 9 for further details.

ii *Property, plant and equipment*

The property, plant and equipment used within the Group have estimated service lives of between 3 and 20 years, with the exception of property which has an estimated service life of 50 years, and the depreciation charge is clearly sensitive to the lives allocated to the various types of asset. Asset lives are reviewed regularly and changed where necessary to reflect the current view on their remaining lives in light of the technological change, prospective economic utilisation and the physical condition of the assets.

iii *Revenue recognition*

Revenue and profit are recognised for contracts undertaken based on estimates of the stage of completion of the contract activity. The Group's policies for the recognition of revenue and profit are set out above.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES (continued)

r Key assumptions and significant judgements (continued)

iv *Impairment of assets*

Property, plant and equipment, and intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates.

v *Income taxes*

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes in each territory. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts which were initially recorded, such differences will impact the income tax and deferred tax provision in the period to which such determination is made. See notes 10 and 29 for further information.

vi *Provisions*

Provision is made for liabilities that are uncertain in timing or amount of settlement. These include provision for rectification and warranty claims. Calculations of these provisions are based on cash flows relating to these costs estimated by management supported by the use of external consultants where needed and discounted at an appropriate rate where the impact of discounting is material.

s Research and development

Research expenditure is charged to the Income Statement in the period in which it is incurred. Development expenditure is capitalised when the criteria for recognising an asset is met. Other development expenditure is recognised in the Income Statement as incurred.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

2 REVENUE

An analysis of the Group's revenue between each significant category is as follows:

	2015 **€'000**	2014 **€'000**
Revenue from construction contracts	190,988	163,087
Sale of goods	683,518	616,280
	874,506	779,367

3 ANALYSIS OF NET OPERATING EXPENSES

	2015 **€'000**	2014 **€'000**
Distribution costs	52,093	45,587
Administrative expenses	153,914	136,782
Non-recurring items	-	(7,392)
Other operating income	(7,180)	(6,540)
Net operating expenses	198,827	168,437

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

4 OPERATING PROFIT

	2015	2014
	€'000	**€'000**
Operating profit has been arrived at after charging:		
Directors' emoluments (note 7)	2,932	2,056
Depreciation of owned assets (note 13)	13,639	10,199
Amortisation of intangibles (note 12)	388	355
Research and development costs	7,484	6,595
(Profit) / loss on sale of property, plant and equipment	(1,226)	1,935
Fees payable to the Group's auditor for the audit of the Group's Accounts	186	182
Fees payable to the Group's auditor and its associates for other services		
- the auditing of Subsidiary Accounts	1,158	1,099
- other services relating to taxation compliance	225	182
- all other services	363	346
Operating leases		
- land and buildings	5,600	4,185
- other	1,114	1,681
Impairment of trade receivables	534	407
Cost of inventories recognised as an expense (included in cost of sales)	389,210	347,279
Net loss on foreign currency translation	1,682	1,407
Write down of inventories	2,620	4,187

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

5 FINANCE INCOME

	2015	2014
	€'000	**€'000**
Bank interest receivable	1,425	1,771
Other interest receivable	562	665
	1,987	2,436

6 FINANCE COSTS

	2015	2014
	€'000	**€'000**
Other interest	165	264

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

7 KEY MANAGEMENT PERSONNEL COMPENSATION

	2015	2014
	€'000	**€'000**
Salaries and short-term employee benefits	3,271	2,278
Post-employment benefits	55	55
	3,326	2,333

All of the above key management personnel compensation relates to Directors.

Directors' emoluments

	2015	2014
	€'000	**€'000**
Aggregate emoluments as Directors of the Company	2,877	2,001
Value of Group pension contributions to money purchase schemes	55	55
	2,932	2,056
Emoluments of the highest paid Director	2,036	1,331

	No.	**No.**
Number of Directors who are accruing benefits under money purchase pension schemes	3	3

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

8 EMPLOYEE NUMBERS AND COSTS

The average number of persons employed by the Group (including Directors) during the year was as follows:

	2015 **No.**	2014 **No.**
Management, office and sales	2,076	2,044
Manufacturing and direct labour	2,087	2,049
	4,163	4,093

The aggregate payroll costs of these persons were as follows:

	2015 **€'000**	2014 **€'000**
Wages and salaries	222,809	202,902
Social security costs	43,946	42,130
Other pension costs	2,600	3,919
	269,355	248,951

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

9 POST-EMPLOYMENT BENEFITS

The table below outlines where the Group's post-employment amounts and activity are included in the Accounts.

	2015	2014
	€'000	**€'000**
Balance sheet obligations for:		
Defined pension benefits	(9,598)	(10,021)
Post-employment medical benefits	(3,406)	(2,853)
Liability in the balance sheet	(13,004)	(12,874)
Income statement credit / (charge) included in operating expenses for:		
Defined pension benefits	31	(1,231)
Post-employment medical benefits	(180)	(146)
	(149)	(1,377)
Remeasurements credit / (charge) for:		
Defined pension benefits	84	(382)
Post-employment medical benefits	(158)	(107)
	(74)	(489)

The income statement charge included within operating expenses includes current service costs, net interest costs and past service costs.

a) Defined benefit pension schemes

The group operates defined benefit pension plans in the UK (one defined benefits scheme and one hybrid scheme) and the Eurozone under broadly similar regulatory frameworks. All of the plans are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. Pensions in payment are generally updated in line with inflation. The plans face broadly similar risks, as described below. UK benefit payments are from trustee-administered funds and Eurozone benefit payments are from unfunded plans where the company meets the benefit payment obligation as it falls due. Assets held in UK trusts are governed by UK regulations and practice, as is the nature of the relationship between the group and the trustees (or equivalent) and their composition. Responsibility for governance of the schemes – including investment decisions and contribution schedules – lies jointly with the Group and the boards of trustees. The boards of trustees must be composed of representatives of the Group and scheme participants in accordance with the schemes' regulations.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

9 POST-EMPLOYMENT BENEFITS (continued)

The amounts recognised in the balance sheet are determined as follows:

	2015 **€'000**	2014 **€'000**
Present value of funded obligations	(16,325)	(14,285)
Fair value of plan assets	18,105	17,253
Net surplus on funded plans	1,780	2,968
Present value of unfunded obligations	(9,540)	(9,768)
Total deficit of defined benefit pension plans	(7,760)	(6,800)
Impact of asset ceiling	(1,838)	(3,221)
Liability in the balance sheet	(9,598)	(10,021)

The UK defined benefit scheme has a surplus that is not recognised on the basis that future economic benefits are not available to the entity in the form of a reduction in future contributions or a cash refund.

The amounts recognised in the income statement:

	2015 **€'000**	2014 **€'000**
Current service cost	(59)	(1,192)
Income / (expense)	113	(4)
Net interest cost	(23)	(35)
	31	(1,231)

The above amounts are included as an employee cost within net operating expenses.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

9 POST-EMPLOYMENT BENEFITS (continued)

Remeasurement of the net defined benefit liability to be shown in other comprehensive income:

	2015 **€'000**	2014 **€'000**
Gain / (loss) from changes in financial assumptions	391	(1,499)
(Loss) / gain from change in demographic assumptions	(987)	101
Experience losses	(532)	-
Return on assets, excluding interest income	(510)	975
Change in the effect of the asset ceiling excluding interest income	1,722	41
	84	(382)

Changes in present value of obligations:

	2015 **€'000**	2014 **€'000**
Present value of obligations at start of the year	(24,053)	(20,139)
Current service cost	(59)	(1,192)
Other income / (expense)	113	(4)
Interest cost	(555)	(584)
Acturial gain / (loss) on Scheme liabilities based on:		
- Changes in financial assumptions	391	(1,499)
- Changes in demographic assumptions	(987)	101
- Experience gains	(532)	-
Benefits paid	436	420
Other movements	190	15
Exchange differences	(809)	(857)
Acquired in business combination	-	(314)
Present value of obligation at end of the year	(25,865)	(24,053)

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

9 POST-EMPLOYMENT BENEFITS (continued)

Changes in the fair value of scheme assets:

	2015 **€'000**	2014 **€'000**
Fair value of scheme assets at the start of the year	17,253	14,853
Interest income	653	686
Remeasurement of scheme assets	(511)	975
Contributions by employers	94	87
Benefits paid	(394)	(379)
Exchange differences	1,010	1,031
Fair value of scheme assets at the end of the year	18,105	17,253

The significant actuarial assumptions were as follows:

	2015 **UK**	2015 **Eurozone**	2014 **UK**	2014 **Eurozone**
Rate of increase in salaries	-	1.92%	-	2.41%
Discount rate	3.7-3.8%	2.0-2.2%	3.4-3.6%	1.5-1.9%
Inflation	3.1%	2.0-2.2%	3.0-3.1%	1.9-2.4%

The inflation assumption shown for the UK is for the Retail Price Index. The assumption for the Consumer Price Index at 31 December 2015 was 2.1%.

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	2015	2014
Retiring at the end of the reporting period:		
Male	22 years	22 years
Female	24 years	24 - 25 years
Retiring 20 years after the end of the reporting period:		
Male	24 years	23 - 24 years
Female	26 - 27 years	26 years

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

9 POST-EMPLOYMENT BENEFITS (continued)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	Decrease obligation by 3.4 - 3.8%	Increase obligation by 3.4 - 3.8%
Inflation	0.25%	Increase obligation by 0.3 - 2.6%	Decrease obligation by 0.3 - 2.6%
Life expectancy	1 year	Increase obligation by 3.6 - 3.9%	Decrease obligation by 3.6 - 3.9%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

b) Post-employment medical benefits

The group operates a post-employment medical benefit scheme in the US. This scheme is unfunded. The method of accounting, significant assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes set out above with the addition of actuarial assumptions relating to the long-term increase in healthcare costs of 3.0% a year and claim rates of 5.5%.

The amounts recognised in the balance sheet are determined as follows:

	2015	2014
	€'000	**€'000**
Present value of unfunded obligations	(3,406)	(2,853)
Liability in the balance sheet	(3,406)	(2,853)

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

9 POST-EMPLOYMENT BENEFITS (continued)

Changes in the present value of defined benefit obligations:

	2015 €'000	2014 €'000
Present value of obligation at the start of the year	(2,853)	(3,141)
The amount recognised in the income statement:		
Current service cost	(175)	(141)
Interest income	(5)	(5)
	(180)	(146)
Remeasurements of the defined benefit liability to be shown in other comprehensive income:		
Loss from change in demographic assumptions	-	(5)
Loss from change in financial assumptions	(157)	(102)
	(157)	(107)
Other movement	49	203
Payments from scheme - benefit payments	243	477
Exchange differences	(508)	(139)
Present value of obligations at the end of the year	(3,406)	(2,853)

c) Post-employment benefits (pension and medical)

Schemes' assets are comprised as follows:

	2015		2014	
	Total €'000	%	Total €'000	%
Equity instruments	11,982	66%	10,762	62%
Equities and equity funds	4,643		3,799	
Diversified growth fund	7,339		6,963	
Debt instruments	5,714	32%	5,499	32%
Government	3,885		3,971	
Corporate bonds (investment grade)	1,829		1,528	
Property	328	2%	410	3%
Cash and cash equivalents	81	-	267	1%
Other	-	-	315	2%
Total	18,105	100%	17,253	100%

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

9 POST-EMPLOYMENT BENEFITS (continued)

Through its defined benefit pension schemes and post-employment medical plans, the Group is exposed to a number of risks, most of which are detailed below:

Asset volatility The schemes' liabilities are calculated using a discount rate set with reference to corporate bond yields; if scheme assets underperform this yield, this will create a deficit. The UK schemes hold a significant proportion of equity instruments, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

The Group has reduced the level of investment risk by investing in assets that better match the liabilities. This has been done by the purchase of a mixture of government and corporate bonds. The government bonds represent investments in UK government securities only. The corporate bonds are global securities with an emphasis on the UK.

Changes in bond yield A decrease in corporate bond yields will increase scheme liabilities, although this will be partially offset by an increase in the value of the schemes' bond holdings.

Inflation risk Some of the Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the schemes against extreme inflation). The majority of the schemes' assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy The majority of the schemes' obligations are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in the schemes' liabilities. This is particularly significant in the UK schemes, where inflationary increases result in higher sensitivity to changes in life expectancy.

In case of the Eurozone defined benefit schemes, the Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the scheme. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The UK hybrid scheme currently has no asset-liability matching strategy. The Group has not changed the processes used to manage its risks from previous periods. The Group does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2015 consist of equities and bonds, although the Group also invests in property and cash.

The Group has agreed that it will aim to eliminate the deficit in the hybrid scheme over the next 14 years. There is no deficit in the defined benefits scheme. The next triennial valuations are due to be completed as at 5 April 2018 and 31 July 2018 for the defined benefits scheme and hybrid scheme respectively. The Group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period.

Expected contributions to post-employment benefit schemes for the year ending 31 December 2016 are €284,400.

The weighted average duration of the defined benefit obligation is 16.4 years.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

10 INCOME TAX EXPENSE

(a) Charge for the year	2015	2014
	€'000	**€'000**
Current income tax:		
UK corporation tax at 20.25% (2014 – 21.49%)	3,109	1,330
Overseas tax	28,849	28,523
Adjustments to prior year UK tax	(111)	89
Adjustments to prior year overseas tax	(738)	(265)
Total current taxation	31,109	29,677
Deferred income tax:		
Movement in overseas deferred tax	(593)	(5,700)
Movement in UK deferred tax	336	477
Total deferred taxation	(257)	(5,223)
Income tax expense	30,852	24,454

(b) Factors affecting tax expense	2015	2014
	€'000	**€'000**
Profit before taxation	106,688	100,649
Profit before taxation multiplied by the standard rate of tax of 20.25% (2014 – 21.49%)	21,604	21,629
Expenses not deductible for tax purposes	733	1,113
Income not taxable	(1,576)	(1,816)
Timing differences	(629)	(3,521)
Effect of foreign tax rates	12,910	9,504
Utilisation of losses brought forward	(3,984)	(1,767)
Deferred tax assets not recognised	2,124	1,628
Exchange adjustment	519	(2,140)
Adjustment to tax charge in previous period	(849)	(176)
Tax expense	30,852	24,454

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

10 INCOME TAX EXPENSE (continued)

(c) Factors that may affect future tax charges

The Group had UK tax losses of approximately €1,755,000 at 31 December 2015 (2014 - €2,254,000) available for carry forward against future trading profits. In addition the Claudius Peters Group had overseas tax losses of approximately €548,000 at 31 December 2015 (2014 - €1,756,000), the Manroland Group €139,001,000 (2014 - €146,105,000) and the Druck Chemie Group €10,512,000 (2014 - €7,285,000) available for carry forward against future trading profits of that Group.

(d) Impact of future tax rate changes

Finance Act 2015, which received Royal Assent on 18 November 2015, includes legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020.

11 COMPANY PROFIT

The Company has taken advantage of the exemption granted by Section 408 of the Companies Act 2006 whereby no individual Income Statement of the Company is disclosed. The Company's profit for the financial year amounted to €70,396,000 (2014 – €86,512,000).

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

12 INTANGIBLE ASSETS

GROUP	Positive Goodwill €'000	Patents and Licences €'000	Total €'000
Cost			
At 1 January 2015	2,391	4,051	6,442
Additions	-	333	333
Exchange adjustment	261	271	532
At 31 December 2015	2,652	4,655	7,307
Aggregate impairment and amortisation			
At 1 January 2015	-	3,130	3,130
Amortisation charge for the year	-	388	388
Exchange adjustment	-	436	436
At 31 December 2015	-	3,954	3,954
Net book values			
At 31 December 2015	2,652	701	3,353
At 31 December 2014	2,391	921	3,312
Cost			
At 1 January 2014	2,119	3,516	5,635
Additions	-	83	83
On aquisition	-	402	402
Exchange adjustment	272	50	322
At 31 December 2014	2,391	4,051	6,442
Aggregate impairment and amortisation			
At 1 January 2014	-	2,722	2,722
Amortisation charge for the year	-	355	355
Exchange adjustment	-	53	53
At 31 December 2014	-	3,130	3,130
Net book values			
At 31 December 2014	2,391	921	3,312
At 31 December 2013	2,119	794	2,913

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

13 PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land & buildings €'000	Plant & machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost or valuation					
At 1 January 2015	147,032	116,224	55,277	15,233	333,766
Additions	2,645	4,562	2,740	1,043	10,990
Disposals	(332)	(997)	(1,337)	(498)	(3,164)
Reclassification	238	(3,346)	(99)	-	(3,207)
Exchange adjustments	2,768	1,230	2,799	420	7,217
At 31 December 2015	152,351	117,673	59,380	16,198	345,602
Depreciation					
At 1 January 2015	38,390	71,488	7,839	13,783	131,500
Charge for the year	3,012	5,095	4,634	898	13,639
Provision for impairment	1,711	15	-	-	1,726
Disposals	(268)	(937)	(884)	(494)	(2,583)
Reclassification	(729)	(2,343)	(41)	-	(3,113)
Exchange adjustments	673	951	267	328	2,219
At 31 December 2015	42,789	74,269	11,815	14,515	143,388
Net book amount					
At 31 December 2015	109,562	43,404	47,565	1,683	202,214
At 31 December 2014	108,642	44,736	47,438	1,450	202,266

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

13 PROPERTY, PLANT AND EQUIPMENT (continued)

GROUP	Freehold land & buildings €'000	Plant & machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost or valuation					
At 1 January 2014	129,679	112,685	12,054	14,234	268,652
Additions	11,863	2,813	42,489	452	57,617
On acquisition	12,053	931	878	-	13,862
Disposals	(8,218)	(1,396)	(1,628)	(90)	(11,332)
Exchange adjustments	1,655	1,191	1,484	637	4,967
At 31 December 2014	147,032	116,224	55,277	15,233	333,766
Depreciation					
At 1 January 2014	36,301	66,292	6,653	12,323	121,569
Charge for the year	2,087	4,877	2,264	971	10,199
Disposals	(211)	(679)	(1,314)	(80)	(2,284)
Exchange adjustments	213	998	236	569	2,016
At 31 December 2014	38,390	71,488	7,839	13,783	131,500
Net book amount					
At 31 December 2014	108,642	44,736	47,438	1,450	202,266
At 31 December 2013	93,378	46,393	5,401	1,911	147,083

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

13 PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY	Freehold land & buildings €'000	Plant & machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost or valuation					
At 1 January 2015	19,882	2,503	2,496	467	25,348
Additions	2,171	129	182	5	2,487
Disposals	-	(7)	(341)	-	(348)
Exchange adjustments	1,122	144	149	28	1,443
At 31 December 2015	23,175	2,769	2,486	500	28,930
Depreciation					
At 1 January 2015	596	1,755	1,473	367	4,191
Disposals	-	(7)	(165)	-	(172)
Charge for the year	693	156	438	52	1,339
Exchange adjustments	22	101	81	21	225
At 31 December 2015	1,311	2,005	1,827	440	5,583
Net book amount					
At 31 December 2015	21,864	764	659	60	23,347
At 31 December 2014	19,286	748	1,023	100	21,157

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

13 PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY	Freehold land & buildings **€'000**	Plant & machinery **€'000**	Vehicles **€'000**	Computers **€'000**	Total **€'000**
Cost or valuation					
At 1 January 2014	7,908	2,334	2,015	441	12,698
Additions	11,118	35	754	3	11,910
Disposals	-	(22)	(416)	(6)	(444)
Exchange adjustments	856	156	143	29	1,184
At 31 December 2014	19,882	2,503	2,496	467	25,348
Depreciation					
At 1 January 2014	387	1,529	1,356	300	3,572
Disposals	-	(22)	(327)	(6)	(355)
Charge for the year	178	143	352	52	725
Exchange adjustments	31	105	92	21	249
At 31 December 2014	596	1,755	1,473	367	4,191
Net book amount					
At 31 December 2014	19,286	748	1,023	100	21,157
At 31 December 2013	7,521	805	659	141	9,126

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

13 PROPERTY, PLANT AND EQUIPMENT (continued)

If these assets had not been revalued they would have been included at the following historical cost amounts:

	Group	
	2015	2014
	€'000	**€'000**
Freehold land and buildings		
Cost	146,556	141,352
Aggregate depreciation and impairment	39,344	35,057

14 NON-CURRENT INVESTMENTS

	Group Shares in unlisted undertakings **€'000**	**Company** Shares in group undertakings **€'000**
Cost		
At 1 January 2015	15	87,065
Exchange adjustment	(1)	5,079
At 31 December 2015	14	92,144
Carrying amount		
At 31 December 2015	14	92,144
At 31 December 2014	15	87,065

	Group Shares in unlisted undertakings **€'000**	**Company** Shares in group undertakings **€'000**
Cost		
At 1 January 2014	14	81,623
On acquisition	1	-
Exchange adjustment	-	5,442
At 31 December 2014	15	87,065
Carrying amount		
At 31 December 2014	15	87,065
At 31 December 2013	14	81,623

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

14 NON-CURRENT INVESTMENTS (continued)

The following companies are wholly owned unlisted trading subsidiaries at 31 December 2015:

Company	Country of Registration	Principal Activity
The Clarke Chapman Group Limited	England	Design, manufacture, maintenance, refurbishment and repair of cranes and other mechanical handling equipment
JND Technologies Limited	England	Design, manufacture and refurbishment of process plant, road tankers and cementitious grouts
Oakdale Homes Limited	England	House builders
Oakdale Properties Limited	England	Residential property
Claudius Peters Group GmbH	Germany	Parent company (see below)
Piller Holding GmbH	Germany	Parent company (see below)
Pressure Engineering International Limited	England	Manufacture of process plant and equipment, steel structures, heat exchangers, tankage and pressure vessels
Langley Aviation Limited	England	Aircraft transport
ARO Welding Technologies SAS	France	All of the ARO companies are involved in the design, manufacture, maintenance, repair and/or distribution of resistance welding equipment and control systems
ARO Welding Technologies Inc	United States of America	
Bradman Lake Group Limited	England	Parent company (see below)
Retford Investments LLC	United States of America	Holder of real estate for other group companies
CPVA GmbH	Germany	Holder of real estate for other group companies

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

14 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Principal Activity
Sheetfed Holdings Limited	England	Parent company (see below)
Sail Cruising Limited	England	Dormant subsidiary
Mikenboard Limited	England	Dormant subsidiary
JND Thermal Process Limited	England	Dormant subsidiary
Allens Light Rail Limited	England	Dormant subsidiary
Magco Tollemache Limited	England	Dormant subsidiary
Protran Developments Limited	England	Dormant subsidiary
Reader Cement Products Limited	England	Dormant subsidiary
H Q Engineers Limited	England	Dormant subsidiary
Oil Systems Limited	England	Dormant subsidiary
Buckley & Taylor Limited	England	Dormant subsidiary
JND Parts & Services Limited	England	Dormant subsidiary
JND Wefco Limited	England	Dormant subsidiary
JND Manufacturing Limited	England	Dormant subsidiary

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

14 NON-CURRENT INVESTMENTS (continued)

The following companies are wholly owned unlisted subsidiaries of ARO Welding Technologies SAS, at 31 December 2015:

Company	Country of Registration	Principal Activity
ARO Welding Technologies AB	Sweden	All of the companies are involved in the design, manufacture, maintenance, repair and/or distribution of resistance welding equipment and control systems.
ARO Welding Technologies SA de CV	Mexico	
ARO Welding Technologies SAU	Spain	
ARO Welding Technologies Limited	England	
ARO Welding Technologies SA-NV	Belgium	
ARO Welding Technologies s.r.o	Slovakia	
ARO Welding Technologies GmbH	Germany	
ARO Welding Technologies (Wuhan) Ltd	China	
ARO Welding Technologias Ltda.	Brazil	

The following companies are wholly owned unlisted subsidiaries of Bradman-Lake Group Limited, at 31 December 2015:

Company	Country of Registration	Principal Activity
Bradman-Lake Limited	England	Both of the companies are involved in the design and manufacture of packaging equipment.
Bradman-Lake Inc	United States of America	

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

14 NON-CURRENT INVESTMENTS (continued)

The following companies are wholly owned unlisted subsidiaries of The Clarke Chapman Group Limited, at 31 December 2015:

Company	Country of Registration	Principal Activity
Clarke Chapman Engineering Services Ltd	Ireland	Provision of facilities management services
Clarke Chapman Facilities Management Limited	England	Provision of facilities management services
Clarke Chapman Aftermarket Limited	England	Design, manufacture, maintenance, refurbishment and repair of cranes and other mechanical handling equipment
Clarke Chapman Machining Limited	England	Dormant subsidiary
Clarke Chapman Manufacturing Ltd	England	Dormant subsidiary
Mackley Pumps Limited	England	Dormant subsidiary
Clarke Chapman Services Limited	England	Dormant subsidiary
Cowans Sheldon Limited	England	Dormant subsidiary
Wellman Booth Limited	England	Dormant subsidiary
Stothert and Pitt Limited	England	Dormant subsidiary
Butterley Limited	England	Dormant subsidiary

The following companies are wholly owned unlisted subsidiaries of Claudius Peters Group GmbH, at 31 December 2015:

Company	Country of Registration	Principal Activity
Claudius Peters Projects GmbH	Germany	All of the companies are involved in the design, manufacture, maintenance, refurbishment and repair of materials processing and handling equipment.
Claudius Peters Technologies SAS	France	
Claudius Peters (Italiana) srl	Italy	
Claudius Peters (Iberica) SA	Spain	
Claudius Peters (China) Limited	Hong Kong	
Claudius Peters (UK) Limited	England	
Claudius Peters (Americas) Inc	United States of America	
Claudius Peters do Brasil Ltda	Brazil	
Claudius Peters Romania srl	Romania	

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

14 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Principal Activity
Claudius Peters India Pvt. Limited	India	All of the companies are involved in the design, manufacture, maintenance, refurbishment and repair of materials processing and handling equipment.
Claudius Peters (Asia Pacific) Pte Ltd	Singapore	
Claudius Peters Automation srl	Romania	
Claudius Peters (Beijing) Machinery Services Limited	China	

The following company is a wholly owned unlisted subsidiary of Piller Holding GmbH, at 31 December 2015:

Company	Country of Registration	Principal Activity
Piller Group GmbH	Germany	See below

The following companies are wholly owned unlisted subsidiaries of Piller Group GmbH and its subsidiaries, at 31 December 2015:

Company	Country of Registration	Principal Activity
Piller Australia Pty Limited	Australia	All of the companies are involved in producing electrical machinery, specialising in high capacity uninterruptible power supply (UPS) systems. The Group is also involved in the production of converters for aircraft ground power and naval military applications.
Piller France SAS	France	
Piller USA Inc	United States of America	
Piller UK Limited	England	
Piller Italia Srl	Italy	
Endurance Power Protection Pvt Ltd	India	
Piller Iberica SL	Spain	
Piller Power Singapore Pte. Limited	Singapore	
Piller Germany Gmbh & Co KG	Germany	
Piller Management Gmbh	Germany	

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

14 NON-CURRENT INVESTMENTS (continued)

The following companies are investments held by Sheetfed Holdings Limited and its subsidiaries, at 31 December 2015:

Company	Country of Registration	Percentage Ownership	Principal Activity
Manroland Sheetfed GmbH	Germany	100%	Note 1
Manroland Deutschland GmbH	Germany	100%	Note 2
Manroland Used Equipment GmbH	Germany	100%	Note 2
Manroland Sheetfed (UK) Limited	England	100%	Note 2
Manroland Latina S.A.	Chile	100%	Note 2
Manroland Latina S.A. de C.V.	Mexico	100%	Note 2
Manroland Mexico Servicos S.A. de C.V.	Mexico	100%	Note 2
Manroland do Brasil Serviços Ltda	Brazil	100%	Note 2
Manroland Latina S.A.	Argentina	100%	Note 2
Manroland Latina S.A.C	Peru	100%	Note 2
PT Manroland Indonesia	Indonesia	100%	Note 2
Manroland Nordic Finland Oy	Finland	100%	Note 2
Manroland Nordic Sverige AB	Sweden	100%	Note 2
Manroland Nordic Danmark A/S	Denmark	100%	Note 2
Manroland Inc	USA	100%	Note 2
Manroland Sheetfed Pvt Ltd	India	100%	Note 2
Manroland Canada Inc	Canada	100%	Note 2
Manroland Western Europe Group B.V.	Netherlands	100%	Note 2
Manroland Österreich GmbH	Austria	100%	Note 2
Manroland Malaysia Sdn. Bhd	Malaysia	100%	Note 2
Votra AG	Switzerland	100%	Note 2
Manroland Japan Co. Ltd	Japan	100%	Note 2
Manroland (Korea) Ltd	Korea	100%	Note 2
Manroland (Taiwan) Ltd	Taiwan	100%	Note 2

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

14 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Percentage Ownership	Principal Activity
Manroland (China) Limited	China	100%	Note 2
Printcom (Asia) Ltd	China	100%	Note 2
Guangzhou Printcom Printing Supplies Co. Ltd	China	100%	Note 2
Manroland Printing Equipment (Shanghai) Co. Ltd	China	100%	Note 2
Manroland Printing Equipment (Shenzhen) Ltd	China	100%	Note 2
Manroland d.o.o	Slovenia	100%	Note 2
Manroland Adriatic d.o.o.	Croatia	100%	Note 2
Manroland ROMANIA S.R.L	Romania	100%	Note 2
Manroland Bulgaria EOOD	Bulgaria	100%	Note 2
Manroland Magyaroszag Kft.	Hungary	100%	Note 2
Manroland Polska Sp. z.o.o	Poland	100%	Note 2
Manroland Czech s.r.o	Czech Republic	100%	Note 2
Manroland France S.A.S	France	100%	Note 2
Manroland Swiss A.G.	Switzerland	100%	Note 2
Manroland Ireland Ltd	Ireland	100%	Note 2
Manroland Iberica Sistemas S.L	Spain	100%	Note 2
Manroland Iberica Sistemas S.A	Portugal	100%	Note 2
Manroland Italia S.R.L.	Italy	100%	Note 2
Manroland Benelux N.V.	Belgium	100%	Note 2
Manroland Nordic Norge A/S	Norway	100%	Note 2
AS Polymark	Estonia	49%	Note 2
Manroland Southern Africa (PTY) Ltd	South Africa	100%	Note 2
Manroland IP GmbH	Germany	50%	Note 3
Manroland Singapore PTE Ltd	Singapore	100%	Note 2
Manroland Thailand Ltd	Thailand	100%	Note 2
Manroland Sheetfed (Thailand) Co. Ltd	Thailand	100%	Note 2
Wood International Inc	USA	100%	Note 2

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

14 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Percentage Ownership	Principal Activity
DC Druck Chemie GmbH	Germany	100%	Note 4
DC Green France SAS	France	100%	Note 4
DC Iberica SL Spain	Spain	100%	Note 4
DC Druck Chemie Polska Sp.z.o.o.	Poland	100%	Note 4
DC Druck Chemie s.r.o	Czech Republic	100%	Note 4
DC Druck Chemie SAS	France	100%	Note 4
DC Druck Chemie UK Limited	Scotland	100%	Note 4
DC Druck Chemie Italia S.R.L	Italy	100%	Note 4
DC Druck Chemie Benelux BV	Benelux	100%	Note 4
DC Druck Chemie Brazil LTDA	Brazil	100%	Note 4
DC Druck Chemie AG	Switzerland	100%	Note 4

* Held indirectly

Note 1: The design, manufacture and sale of sheetfed offset litho printing presses and aftermarket services

Note 2: The sale of sheetfed offset litho printing presses and aftermarket services

Note 3: Intellectual Property

Note 4: The development, manufacture and supply of chemical and technical products and accessories for the printing industry, as well as providing waste processing and recycling services

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

15 NON-CURRENT TRADE AND OTHER RECEIVABLES

	Group	
	2015	2014
	€'000	**€'000**
Other receivables	2,696	1,692
Pension scheme prepayment	786	291
	3,482	1,983

16 NON-CURRENT INCOME TAX RECOVERABLE

	Group	
	2015	2014
	€'000	**€'000**
Income tax	-	39

17 INVENTORIES

	Group		Company	
	2015	2014	2015	2014
	€'000	**€'000**	**€'000**	**€'000**
Raw materials	60,269	61,126	-	-
Work in progress	63,862	56,237	-	-
Finished goods	37,018	36,324	-	12
	161,149	153,687	-	12

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

18 CONSTRUCTION WORK IN PROGRESS

Contracts in progress at the year end:

	Group	
	2015	2014
	€'000	**€'000**
Amounts due from contract customers included in trade and other receivables (note 19)	15,451	17,168
Amounts due to contract customers included in trade and other payables (note 22)	(1,732)	(2,605)
	13,719	14,563
Contract costs incurred plus recognised profit less recognised losses to date	164,794	159,940
Less: Progress billings	(151,075)	(145,377)
	13,719	14,563

19 CURRENT TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	€'000	**€'000**	**€'000**	**€'000**
Trade receivables	116,593	116,074	214	185
Retentions	3,836	5,384	-	-
Amounts recoverable on construction contracts	15,451	17,168	-	-
Amounts owed by Group undertakings	-	-	149,320	150,929
Directors' current accounts (note 33)	848	1,538	848	1,538
Other receivables	8,598	5,805	-	-
VAT recoverable	5,543	4,615	508	487
Prepayments and accrued income	14,955	14,341	1,797	2,748
	165,824	164,925	152,687	155,887

For terms and conditions relating to related party receivables, refer to note 33.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

19 CURRENT TRADE AND OTHER RECEIVABLES (continued)

Trade and other receivables are disclosed net of provisions for bad and doubtful debts, an analysis of which is as follows:

	Group	
	2015	2014
	€'000	**€'000**
Balance at beginning of the year	18,703	21,412
On acquisition	-	1,672
Exchange differences	(7)	3,107
Charge for the year	793	3,381
Amounts written off	(12)	(7,520)
Unused amounts reversed	(939)	(3,349)
Balance at end of the year	18,538	18,703

Trade receivables are non-interest bearing and are generally on 30 – 90 day terms.

At 31 December, the analysis of trade receivables that were past due but not impaired is as follows:

	Past due but not impaired				
	<30 days	31-60 days	61-90 days	91-120 days	>121 days
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
Group					
2015	22,530	7,050	2,084	2,302	1,277
2014	21,465	5,928	4,149	2,284	1,200
Company					
2015	-	-	5	183	-
2014	1	-	5	154	-

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

20 CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	€'000	€'000	€'000	€'000
Cash in hand, at bank and short term deposits	329,634	280,747	162,969	113,426

21 CURRENT INCOME TAX RECOVERABLE

	Group		Company	
	2015	2014	2015	2014
	€'000	€'000	€'000	€'000
Income tax	8,163	6,493	706	368

22 CURRENT TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	€'000	€'000	€'000	€'000
Trade payables	41,544	42,916	526	754
Other payables	8,939	7,713	86	83
Other taxes and social security	7,773	7,075	63	54
Accruals and deferred income	57,585	59,033	574	480
VAT payable	7,724	7,923	-	-
Amounts owed to Group undertakings	-	-	2,050	1,972
Payments on account	63,980	53,755	-	-
Amounts due on construction contracts	1,732	2,605	-	-
	189,277	181,020	3,299	3,343

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

23 PROVISIONS

GROUP	Warranty Provision €'000	Other Provision €'000	Total €'000
Balance at 1 January 2015	21,023	10,472	31,495
Additional provision recognised	9,761	2,414	12,175
Provision utilised during the year	(6,040)	(4,913)	(10,953)
Provision released during year	(5,707)	(2,329)	(8,036)
Foreign exchange difference	277	8	285
Balance at 31 December 2015	19,314	5,652	24,966
Current	17,413	5,603	23,016
Non-current	1,901	49	1,950

	Warranty Provision €'000	Other Provision €'000	Total €'000
Balance at 1 January 2014	23,543	8,316	31,859
Additional provision recognised	10,584	7,444	18,028
Provision utilised during the year	(5,928)	(3,150)	(9,078)
Provision released during year	(7,439)	(2,152)	(9,591)
Foreign exchange difference	263	14	277
Balance at 31 December 2014	21,023	10,472	31,495
Current	18,774	9,572	28,346
Non-current	2,249	900	3,149

The warranty provision is arrived at using estimates from historical warranty data. The other provision includes specific claims, redundancy and restructuring provisions. There were no provisions in the Company.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

24 CURRENT INCOME TAX LIABILITIES

	Group	
	2015	2014
	€'000	**€'000**
Income tax	11,964	13,677

25 CURRENT PORTION OF LONG TERM BORROWINGS

	Group	
	2015	2014
	€'000	**€'000**
Loans	129	110

26 LONG TERM BORROWINGS

	Group	
	2015	2014
	€'000	**€'000**
Loans	302	888
Due within one year (included in current liabilities)	(129)	(110)
	173	778
Amounts payable:		
Between one and two years	102	191
Between two and five years	71	69
After five years	-	518
	173	778

The fair value of the loans are approximately equivalent to the book value disclosed above. Interest was charged at 7% (2014 - 7%) on those loans during the year.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

27 NON-CURRENT TRADE AND OTHER PAYABLES

	Group	
	2015	2014
	€'000	**€'000**
Trade payables	366	322
Accruals and deferred income	15,114	14,326
	15,480	14,648

28 RETIREMENT BENEFIT OBLIGATIONS

GROUP	2015	2014
	€'000	**€'000**
At 1 January 2015	12,874	11,354
Total expense recognised in the Income Statement in the year	149	1,377
Actuarial (gains) / losses – financial assumptions	(234)	1,601
Actuarial losses / (gains) – demographic assumptions	987	(96)
Actuarial losses / (gains) – experience	1,043	(975)
Changes in the effect of asset ceiling	(1,722)	(41)
Contributions paid	(94)	(86)
Payments from the plan	(285)	(518)
Acquired in a business combination	-	314
Exchange differences	524	162
Other movement	(238)	(218)
At 31 December 2015	13,004	12,874
UK defined benefit pension schemes	58	253
Overseas unfunded defined benefit pension obligations	9,540	9,768
Overseas unfunded medical benefits obligations	3,406	2,853
Retirement benefit obligation in balance sheet	13,004	12,874

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

29 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	Group		Company	
	2015	2014	2015	2014
	€'000	**€'000**	**€'000**	**€'000**
Deferred tax assets	22,377	24,825	76	45
Deferred tax liabilities	(17,578)	(20,773)	-	-
	4,799	4,052	76	45

The net movement on the deferred income tax account is as follows:

	Group		Company	
	2015	2014	2015	2014
	€'000	**€'000**	**€'000**	**€'000**
At 1 January 2015	(4,052)	6,174	(45)	(72)
Transfer to revaluation reserve	(35)	(34)	-	-
Exchange differences	(442)	(1,620)	(3)	(1)
Income Statement charge (note 10)	(257)	(5,223)	(28)	28
Arising on acquisition	-	(3,251)	-	-
Release to equity on actuarial loss	(13)	(98)	-	-
At 31 December 2015	(4,799)	(4,052)	(76)	(45)

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

29 DEFERRED INCOME TAX (continued)

GROUP

The movement in net deferred tax assets and liabilities during the year is as follows:

	Accelerated tax depreciation €'000	Tax losses €'000	Other short-term temporary differences €'000	Retirement benefit obligations €'000	Fair value gains €'000	Total €'000
At 1 January 2014	3,073	(7,211)	(3,852)	(2,041)	16,205	6,174
(Credit) / charge to income	(355)	1,929	(1,535)	360	(5,622)	(5,223)
Recognised in equity regarding remeasurement of defined benefit scheme	-	-	-	(98)	-	(98)
Arising on acquisition	(221)	(2,905)	(125)	-	-	(3,251)
Transfer to revaluation reserve	-	-	-	-	(34)	(34)
Exchange differences	702	(1,497)	(1,601)	(404)	1,180	(1,620)
At 31 December 2014	3,199	(9,684)	(7,113)	(2,183)	11,729	(4,052)
Gross assets	(858)	(9,684)	(12,100)	(2,183)	-	(24,825)
Gross liabilities	4,057	-	4,987	-	11,729	20,773
Charge / (credit) to income	368	2,736	(1,123)	688	(2,926)	(257)
Recognised in equity regarding remeasurement of defined benefit scheme	-	-	-	(13)	-	(13)
Transfer to revaluation reserve	-	-	-	-	(35)	(35)
Exchange differences	348	(1,055)	(774)	(238)	1,277	(442)
At 31 December 2015	3,915	(8,003)	(9,010)	(1,746)	10,045	(4,799)
Gross assets	(551)	(8,003)	(12,077)	(1,746)	-	(22,377)
Gross liabilities	4,466	-	3,067	-	10,045	17,578

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

29 DEFERRED INCOME TAX (continued)

COMPANY

	Accelerated capital allowances €'000	Fair value gains €'000	Total €'000
At 1 January 2014	(51)	(21)	(72)
Credit to income	11	17	28
Exchange differences	(4)	3	(1)
At 31 December 2014	(44)	(1)	(45)
Charge to income	(28)	-	(28)
Credit to equity	-	-	-
Exchange differences	(4)	1	(3)
At 31 December 2015	(76)	-	(76)

Unprovided deferred taxation

	Group		Company	
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Accelerated tax depreciation	7	2	-	-
Tax losses available	40,066	41,876	-	-
Other short term timing differences	720	448	-	-
Retirement benefit obligation	316	313	-	-
	41,109	42,639	-	-

Deferred tax has been calculated at the rate expected to apply at the time at which temporary differences are forecast to reverse, based on tax rates which have been substantially enacted at the balance sheet date.

No deferred tax asset has been recognised in respect of the above accelerated tax depreciation, other short term temporary differences, tax losses and retirement benefit obligations because there is uncertainty as to whether the Group will have sufficient relevant taxable profits to utilise these assets in the near future.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

30 CONTINGENT LIABILITIES

Contingent liabilities exist at the balance sheet date in respect of:

	Group		Company	
	2015	2014	2015	2014
	€'000	**€'000**	**€'000**	**€'000**
UK Group bank guarantees	-	-	4,911	8,296
UK Group value added tax	-	-	874	1,120
UK Bonds, guarantees and indemnities	3,853	3,082	3,807	3,038
Overseas bank guarantees	62,325	56,928	-	-
Overseas bonds, guarantees and indemnities	31,505	27,754	-	-
	97,683	87,764	9,592	12,454

The Company has guaranteed the bank facilities of UK subsidiaries and is party to a group VAT registration. Throughout the Group, contingent liabilities exist in respect of guarantees, performance bonds and indemnities issued on behalf of Group companies by banks and insurance companies in the ordinary course of business.

In view of the net cash position held with the same UK bank within the group, the Directors believe that the likelihood of the guarantees being invoked is unlikely, therefore no provision has been recognised in these Accounts.

31 FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise borrowings, cash and short term deposits, bank loans and overdrafts and various items such as trade payables and trade receivables that arise directly from its operations. The main purpose of these financial instruments is to fund the Group's operations, as well as to manage its working capital, liquidity and surplus funds.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and interest rate risk. Liquidity risk is not considered to be a main risk to the Group given the Group's cash and cash equivalents balances being considerably higher than any bank borrowings.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

31 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of individual Group entities (which are principally sterling, euro and US dollars).

The Group publishes its Consolidated Accounts in euro and as a result, it is subject to foreign currency exchange translation risk in respect of the results and underlying net assets of its operations where the euro is not the functional currency of that operation.

Financial risk

The following table demonstrates the sensitivity to a reasonably possible change in the sterling to euro and other currencies to euro exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the fair value of monetary assets and liabilities.

	Increase / decrease in sterling rate	Effect on profit before tax	Increase / decrease in other exchange rates	Effect on profit before tax
		€'000		**€'000**
2015	+10%	(459)	+10%	(3,747)
	-10%	560	-10%	4,580
2014	+10%	(251)	+10%	(2,477)
	-10%	307	-10%	3,028

Credit risk

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debt is not significant.

With respect to credit risk arising from the other financial assets of the Group, comprising of cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's money on deposit.

Capital risk management

The Group defines capital as being share capital plus reserves and manages capital to ensure adequate resources are retained for continued growth of the Group. Access to capital includes the retention of cash on deposit and availability of funding through agreed capital facilities. Long term deposits are used to obtain more favourable rates of return only when adequate cash resources are maintained on shorter term deposit for the Group's working capital requirements.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

32 FAIR VALUE MEASUREMENTS

As at 31 December 2015 there were no significant differences between book values and fair values of financial assets and liabilities.

The following table categorises the Group's assets and liabilities held at fair value by the lowest level of the significant inputs used in determining their fair value:

1) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

2) Inputs other than quoted prices included within level 1 that are observable either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)

3) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

GROUP	**Level 1**	**Level 2**	**Level 3**	**Total**
	2015	2015	2015	2015
Recurring fair value measurements	**€'000**	**€'000**	**€'000**	**€'000**
Freehold property	-	109,562	-	109,562
	-	109,562	-	109,562

COMPANY	**Level 1**	**Level 2**	**Level 3**	**Total**
	2015	2015	2015	2015
Recurring fair value measurements	**€'000**	**€'000**	**€'000**	**€'000**
Freehold property	-	21,864	-	21,864
	-	21,864	-	21,864

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

32 FAIR VALUE MEASUREMENTS (continued)

GROUP	**Level 1**	**Level 2**	**Level 3**	**Total**
	2014	2014	2014	2014
Recurring fair value measurements	**€'000**	**€'000**	**€'000**	**€'000**
Freehold property	-	108,642	-	108,642
	-	108,642	-	108,642

COMPANY	**Level 1**	**Level 2**	**Level 3**	**Total**
	2014	2014	2014	2014
Recurring fair value measurements	**€'000**	**€'000**	**€'000**	**€'000**
Freehold property	-	19,286	-	19,286
	-	19,286	-	19,286

For valuations based on a valuation technique the following information is provided about the technique used and significant inputs:

GROUP	Fair value at 31 Dec 2015 **€'000**	Valuation technique	Significant input
Property, plant and equipment – Freehold property	109,562	Market comparable approach	Market price per square metre for comparable properties

COMPANY	Fair value at 31 Dec 2015 **€'000**	Valuation technique	Significant input
Property, plant and equipment – Freehold property	21,864	Market comparable approach	Market price per square metre for comparable properties

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

32 FAIR VALUE MEASUREMENTS (continued)

GROUP	Fair value at 31 Dec 2014 **€'000**	Valuation technique	Significant input
Property, plant and equipment – Freehold property	108,642	Market comparable approach	Market price per square metre for comparable properties

COMPANY	Fair value at 31 Dec 2014 **€'000**	Valuation technique	Significant input
Property, plant and equipment – Freehold property	19,286	Market comparable approach	Market price per square metre for comparable properties

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

33 RELATED PARTY TRANSACTIONS

At 31 December 2015, A J Langley owed €848,000 (2014 - €1,538,000) to the Company. The maximum overdrawn balance during the year was €16,021,725 (2014 - €11,871,000). The full amount has been repaid since the year end.

During the year, the Company invoiced management charges of €6,189,000 (2014 - €5,943,000) and provided funding to Group companies with the following amounts outstanding at the year end:

	Amount outstanding at the year end	
	2015	2014
	€'000	**€'000**
COMPANY		
The ARO group of companies	183	11
The Bradman Lake group of companies	418	61
The Clarke Chapman group of companies	33	57
The Claudius Peters group of companies	(9)	550
The Piller group of companies	11,163	11,560
The Manroland group of companies	33,600	41,253
CPVA GmbH	22,679	18,755
Sheetfed Holdings Limited	14,999	22,724
The Druck Chemie group of companies	(164)	-
Retford Investments LLC	9,440	7,547
Langley Aviation Ltd	44,717	41,756
Other group companies	10,210	4,683

During the year, Langley Aviation Limited invoiced the company €1,718,000 (2014 - €592,000) in respect of the use of aircraft.

During the year, Group companies paid interest on loans from the Company of €6,229,000 (2014 - €4,319,000).

Transactions with related parties are at market value, and are unsecured. The Company has recorded a €2,191,000 impairment of receivables relating to amounts owed by subsidiary undertakings during the year (2014 - €3,077,000) and reversed €124,000 (2014 - €950,000) against previous impairments.

The Company and Group are controlled by A J Langley, a Director of the Company.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

33 RELATED PARTY TRANSACTIONS (Continued)

Transactions between subsidiaries have been eliminated on consolidation and are disclosed in the individual company accounts.

34 SHARE CAPITAL

	2015 **€'000**	2014 **€'000**
Authorised:		
60,100,010 ordinary shares of £1 each	71,227	71,227

Allotted, issued and fully paid:	2015 **€'000**	2014 **€'000**
60,100,010 ordinary shares of £1 each	71,227	71,227

35 MERGER RESERVE

The merger reserve arose during the year ended 31 December 2013 on the business combination with Sheetfed Holdings Limited. The transaction qualified for merger relief under section 612 of the Companies Act 2006. During the year ended 31 December 2013 a bonus issue of 60,000,000 £1 shares was funded from the merger reserve.

36 REVALUATION RESERVE

This reserve is used to reflect changes in the fair value of assets, net of deferred tax, as indicated in note 1(e). It is not available for the payment of dividends.

37 RETAINED EARNINGS

Included within the retained earnings of the Group are foreign currency translation reserves of €23,395,000 (2014 - €8,583,000). Included within the retained earnings reserve for the Company is €24,377,000 (2014 - €10,762,000) of foreign currency translation reserves.

The net currency exchange difference arising on retranslation in the year was a gain of €14,812,000 (2014 - gain of €15,324,000) for the Group and a gain of €13,615,000 (2014 - gain of €11,979,000) for the Company. The foreign currency translation reserve contains the accumulated foreign currency translation differences arising when the Accounts of the Company and Group operations are translated from their own functional currency to the euro, being the presentation currency for the group Accounts.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2015

38 MINORITY INTEREST

	2015 **€'000**
At 1 January 2015	230
Purchase of minority interest	(230)
At 31 December 2015	-

	2014 **€'000**
At 1 January 2014	-
Additions	230
At 31 December 2014	230

The minority interest reserve arose during the prior year on the acquisition of the Druck Chemie Group. Sheetfed Holdings Limited owned 82% of the share capital of DC Druck Chemie Brazil LTDA and 90% of the share capital in DC Druck Chemie Polska Sp.z.o.o. The shareholdings of the minority interest were acquired by Sheetfed Holdings Limited during the year.

39 COMMITMENTS UNDER OPERATING LEASES

At the year end, the Group had outstanding commitments for future minimum lease payments and other costs under non-cancellable operating leases, which fall due as follows:

	2015 **€'000**	2014 **€'000**
Within one year	5,291	3,809
In two to five years	6,754	4,994
After five years	1,536	1,712
	13,581	10,515

The lease commitments relate primarily to leases of land and buildings. The leases have various terms and renewal rights.

Notes to the Accounts (continued)

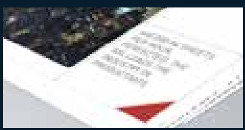
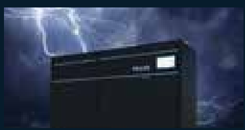
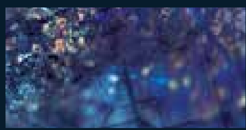
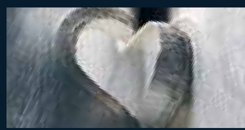
YEAR ENDED 31 DECEMBER 2015

40 CASH GENERATED FROM OPERATIONS

GROUP	2015 **€'000**	2014 **€'000**
Profit before taxation	106,688	100,649
Non-recurring gain	-	(7,392)
Depreciation	13,639	10,199
(Profit) / loss on sale of property, plant and equipment	(1,226)	1,935
Amortisation of intangibles	388	355
Interest income	(1,987)	(2,436)
Impairment of fixed assets	1,726	-
Interest expense	165	264
Increase in inventories	(7,462)	(6,399)
(Increase) / decrease in trade and other receivables	(2,398)	33,818
Increase / (decrease) in trade and other payables	2,703	(24,471)
Movement in retirement benefit obligations	(469)	555
Foreign exchange translation adjustments	(1,029)	331
Cash generated from / (used in) operations	110,738	107,408

COMPANY	2015 **€'000**	2014 **€'000**
Profit before taxation	70,368	86,527
Depreciation	1,339	725
Profit on sale of property, plant and equipment	(9)	(75)
Dividend income received	(62,810)	(81,214)
Interest income	(6,688)	(4,974)
Interest expense	11	12
Decrease in inventories	12	9
Decrease / (increase) in trade and other receivables	3,545	(44,420)
Decrease in trade and other payables	(44)	(162)
Foreign exchange translation adjustments	2,062	957
Cash generated from / (used in) operations	7,786	(42,615)

Printed in Offenbach, Germany using OnePass® technology.


langleyholdings.com