LANGLEY

Langley Holdings plc
Annual Report & Accounts 2014

2014

langleyholdings.com

"a world-class organisation built on mutually beneficial long-term relationships"

Contents

LANGLEY

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 2014

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

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 over 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: In October 2014 the Langley racing yacht *Gladiator* competed in the Les Voiles de St Tropez, finishing second in class to HRH Crown Prince Frederick of Denmark. A gear failure in race one put the *Gladiator* last in the 32 boat strong fleet going into day two. By day six they had clawed back to within two points of the lead.

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, over 80 subsidiaries, more than 4,300 employees”

Manroland Sheetfed

Location:	Germany
Activity:	Printing press builder
Revenue 2014:	€288.2m
Employees:	1,688

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"

manrolandsheetfed.com

November 2014 saw the global launch of the new ROLAND 700 Evolution press.

Piller maintains over 5,000 rotary UPS units protecting businesses, including over 400 major data centres, around the world.
Photo: NASA's Earth Observatory.

Piller

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 Hannover, in Germany.

Location:	Germany
Activity:	Power protection systems Airport ground power systems Naval military systems
Revenue 2014:	€181.8m
Employees:	812

"europe's leading producer of UPS systems for data centres"

piller.com

Claudius Peters

Location:	Germany
Activity:	Plant machinery Aerospace components
Revenue 2014:	€125.6m
Employees:	582

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. Cement granules magnified x100. © Claudius Peters

claudiuspeters.com

Over 11,000 revolutionary ARO 3G robotic welding guns have been supplied to the automotive industry. Launched five years ago, the industry's first truly modular solution takes welding performance to new levels.

ARO

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.

Location:	France
Activity:	Welding technology
Revenue 2014:	€116.6m
Employees:	514

“world leaders in automotive welding technology”

arotechnologies.com

Other Businesses

Location: Germany, UK, USA & various

Activity: Diverse capital equipment
Construction
Chemicals

Revenue 2014: €67.2m*

Employees: 775

*Excludes DruckChemie.

Other businesses within the Langley group, operating principally at locations in Germany, the UK and USA, are DruckChemie, the recently acquired printing consumables manufacturer, Bradman Lake, a producer of packaging machinery for the food industry and Clarke Chapman, a producer of cranes for the nuclear industry and other specialised applications.

Smaller business units within the division include:

- **JND:** rotary dryer producer
- **Protran:** LPG vehicles builder
- **PEI:** pressure vessel fabricator
- **Reader:** cement grout blending
- **Oakdale Homes:** house builder

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

DruckChemie is Europe's leading manufacturer of chemicals for the printing industry.

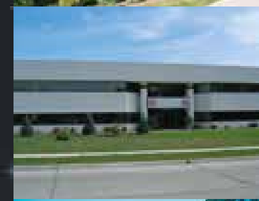
Global Locations

ARGENTINA BUENOS AIRES | **ASIA PACIFIC** SINGAPORE | **AUSTRALIA** SYDNEY | **AUSTRIA** WIENER NEUDORF | **BELGIUM** BRUSSELS, WEMMEL | **BRAZIL** SÃO PAULO | **BULGARIA** SOFIA | **CANADA** TORONTO | **CHILE** SANTIAGO | **CHINA** BEIJING, CHENGDU, GUANGZHOU, HONG KONG, SHANGHAI, SHENZHEN, WUHAN | **COLUMBIA** BOGOTA | **CROATIA** ZAGREB | **CZECH REPUBLIC** PRAGUE, KUŘIM | **DENMARK** BALLERUP | **FINLAND** VANTAA | **FRANCE** LE MANS, MULHOUSE, PARIS, SOPPE LE BAS | **GERMANY** FRANKFURT, HAMBURG, HANNOVER, AUGSBURG, STUTTGART | **HUNGARY** BUDAPEST | **INDIA** MUMBAI | **INDONESIA** JAKARTA | **IRELAND** DUBLIN | **ITALY** BERGAMO, MILAN | **JAPAN** SAITAMA | **MALAYSIA** SELANGOR | **MEXICO** PUEBLA | **NETHERLANDS** AMSTERDAM, HELMOND | **PERU** LIMA | **POLAND** NADARZYN, GNIEZNO | **PORTUGAL** SINTRA | **ROMANIA** BUCHAREST, SIBIU | **RUSSIA** MOSCOW | **SLOVAKIA** BRATISLAVA | **SLOVENIA** LJUBLJANA | **SOUTH AFRICA** CAPE TOWN | **SPAIN** BARCELONA, MADRID | **SWEDEN** FJÄRÅS, TROLLHÄTTAN | **SWITZERLAND** KIRCHBERG, ROGGLISWIL | **TAIWAN** NEW TAIPEI CITY | **THAILAND** BANGKOK | **UNITED KINGDOM** VARIOUS LOCATIONS | **USA** DALLAS, DETROIT, NEW YORK, ROCK HILL (SOUTH CAROLINA), WESTMONT | **VENEZUELA** CARACAS

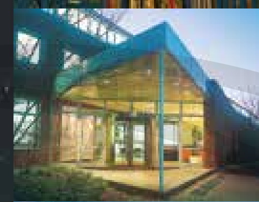

Offenbach, Germany


Dallas, USA


New York, USA


Detroit, USA


Le Mans, France


Hamburg, Germany


Mulhouse, France


Hannover, Germany


Stuttgart, Germany


Retford, UK

IFRS Annual Report and Accounts 2014

LANGLEY

Company Information

YEAR ENDED 31 DECEMBER 2014

DIRECTORS:	A J Langley – Chairman B A Watson J J Langley – Non-Executive
SECRETARY:	B A Watson
REGISTERED OFFICE:	Enterprise Way Retford Nottinghamshire DN22 7AN England
REGISTERED IN ENGLAND NUMBER:	1321615
AUDITORS:	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 2014

	Year ended 31 December 2014 €'000	Year ended 31 December 2013 €'000
REVENUE	779,367	833,892
OPERATING PROFIT BEFORE NON-RECURRING ITEMS	91,085	89,270
NON-RECURRING ITEMS	7,392	-
OPERATING PROFIT	98,477	89,270
PRE TAX PROFIT	100,649	91,420
NET ASSETS	562,917	496,525
CASH	280,747	278,645
ORDERS ON HAND	278,882	256,025
	No.	**No.**
EMPLOYEES	4,371	4,042

Chairman's Review

YEAR ENDED 31 DECEMBER 2014

In the year to 31 December 2014 the group recorded revenues of €779.4 million (2013: €833.9 million) and generated an operating profit before non recurring gains of €91.1 million (2013: €89.3 million). Income from finance activities contributed €2.4 million (2013: €2.7 million) and there were non-recurring gains of €7.4 million during the period (2013: €nil). This resulted in a profit before tax of €100.6 million (2013: €91.4 million). At 31 December 2014 the consolidated cash balance stood at €280.7 million (2013: €278.6 million). A shareholder dividend of €25.0 million was paid in July and at the year end the group's net assets were €562.9 million (2013: €496.5 million). Orders on hand were €278.9 million (2013: €256.0 million).

Despite revenues from existing businesses being down by some 7% when compared with 2013, profits were very similar to the previous year, with a non-recurring gain of some €7 million arising from an acquisition in November making up much of the improvement in the overall profit before tax. Overall the group's cash position was similar to year end 2013, despite the dividend payment and substantial investment in operating assets during 2014.

In recent years we have utilised a percentage of the group's surplus cash to acquire operating properties that were formerly leased, or have moved our businesses from leasehold to freehold premises. During the year, properties were acquired for our UK businesses, our business in Japan, and land was also acquired to build in the US. As the group now owns the freehold of over 95% of the occupied operating space, that programme is substantially complete.

The acquisition of DruckChemie, a leading producer of chemicals for the printing industry, in November was the first transaction completed since January 2012. The business, which is based in Germany, has 13 operating subsidiaries and 22 distribution locations throughout Europe and in Brazil and employs approximately 280 people. Revenues of around €70 million are expected in 2015 and the business is profitable, its fall into administration last year being entirely due to a debt burden taken on in 2007 by its then private equity owner. The business compliments the group's activities in the printing industry.

MANROLAND SHEETFED DIVISION

Revenue: €288.2m. (2013: €315.2m). Orders on hand: €48.3m. (2013: €48.2m)
Headquarters: Germany. Employees: 1,688

Manroland Sheetfed, the printing press builder and the largest of our divisions in revenue and employee terms, performed largely in line with expectations in 2014 to post a small profit on revenues of €288.2 million. Overall the division's contribution to the group's pre-tax result was some €15 million when considering internal group charges and this is satisfactory when bearing in mind that the sector has undergone a paradigm shift, seeing demand for new presses plummet by over two thirds from its peak in 2007. Even so, revenues were some 9% down in 2014, when compared with 2013, due to a cooling of demand from the Chinese market. Over the last decade or so China has been a booming market for the printing press builders and consequently the market has reached near saturation. In 2014 demand dropped sharply and Manroland China was restructured to meet this. It remains to be seen whether demand will return to historic levels but in the meantime the subsidiary is correctly structured. Other markets, serviced by Manroland's more than forty subsidiaries world wide performed largely in line with expectations. Notably the US exceeded plan, possibly a sign of improved conditions in this, the division's second largest market after China. Meanwhile, in Germany, the surplus property vacated in 2013 was sold for redevelopment and all of Manroland's manufacturing operations are now located on the 70 acre Offenbach site. The benefits of a much streamlined manufacturing operation contributed significantly to reduced operating costs and improved margins which offset the effect of reduced volume from China. The division generated positive cash flow from operations in the year and I am pleased to report that €22 million of the original investment has now been repaid to the group with a further €11 million coming back in the current quarter. Last but not least, in November I attended the launch of a new press at Manroland's Print Technology Centre in Offenbach. Attended by over 450 delegates over two days, the launch of the Roland 700 "Evolution" was a great success, heralding the next generation of these iconic printing presses after more than two years of research and development.

PILLER DIVISION

Revenue: €181.8m. (2013: €217.4m.) Orders on hand: €85.4m. (2013: €75.4m.)
Headquarters: Germany. Employees: 812

Piller is a leading producer of advanced power conditioning and back-up systems for data centres and was the principal driver of the group's 2014 result. The company also produces aircraft ground power equipment and naval military electrical systems. At €182 million, revenues for 2014 were down by over 16% on 2013, although 2013 was a record high in revenue terms. Despite the downturn in revenue, profits were at a similar level. The final result was also dramatically boosted by one-off gains arising from earlier years' contracts and an improved business mix. All but two of the subsidiaries recorded profits ahead of plan. Those that were not being minor in the overall scheme of the division. Overall another very satisfactory performance. Going into 2014 the order book was in line with budget despite a number of projects still postponed. I expect to see an increased volume in 2015 although results will not be helped by one-off gains to the extent they were in 2014.

CLAUDIUS PETERS DIVISION

Revenue: €125.6m. (2013: €117.9m). Orders on hand: €82.1m (2013: €84.1m)
Headquarters: Germany. Employees: 582

The principal activity of Claudius Peters is the design and manufacture of plant machinery for the cement & gypsum, iron & steel and alumina industries. The sectors in which it operates remained sluggish although there were signs of an upturn in this, the longest cycle market the group is engaged in. 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 division overall reported a satisfactory result, ahead of plan, despite a shortfall in the French subsidiary. Smaller subsidiaries in Spain and Italy continued to languish and China, despite a slow-down of the economy, performed ahead of plan and the US business saw improving market conditions. Looking to 2015 trading, political uncertainties in Russia are a concern but the division's geographic markets are sufficiently diverse that Claudius Peters does not rely on any one territory. Overall I expect the business will see a continuance of a slowly improving market situation.

ARO DIVISION

Revenue: €116.6m. (2013: €120.7m). Orders on hand: €33.5m. (2013: €29.2m)

Headquarters: France. Employees: 514

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 2014, the fourth in succession as both European and US automobile producers continued to invest in new production lines. Investment in new production lines outside of Europe remained extremely buoyant, particularly in the US, and utilisation at our factories on both sides of the Atlantic remained high. An expected downturn in demand did not materialise in 2013 or in 2014 and the factories are well loaded into the second quarter of 2015, although management are expecting a slow-down in the second half. At the year end orders on hand at the ARO group were €33.5 million (2013: €29.2 million).

OTHER BUSINESSES

Revenue: €67.2m. (2013: €62.7m). Orders on hand: €29.6m. (2013: €19.1m)

Located: United Kingdom & United States. Employees: 775

Our other businesses division, roughly half of which is made up by Bradman Lake, the food packaging machinery specialist, had a satisfactory year overall. Bradman Lake itself enjoyed another year of very high level of utilisation at its two UK factories, although the US facility was quieter. Clarke Chapman Group (CCG) recorded its best result since the business was acquired from Rolls Royce PLC in 2000. Despite revenues having shrunk by some 50% since acquisition, CCG has transformed into a niche business and with investment in the nuclear sector finally coming through, the prospects are looking positive in the long term. Accordingly we acquired the Gateshead manufacturing site prior to year end, much of which is now let to third parties, including others engaged in the nuclear sector. JND contributed positively with a strong performance from Reader, the cement blender. Oakdale Homes, which represents less than 1% of total group revenues, was the only business unit in the division to make a loss although a number of land transactions are set to bring the company into positive territory in 2015. House sales did not pick up to the extent I had hoped in 2014. The other businesses division closed the year with order books of €29.6 million (2013: €19.1 million).

OUR PEOPLE

As is customary, no review of the Langley Holdings group companies would be complete without mention of our employees, now numbering over 4,300 world-wide. It is their hard work and diligence that make our group the success that it is today. In 2014 we welcomed just under three hundred people that comprise the DruckChemie group to our family of businesses.

CONCLUSION & OUTLOOK 2015

In my reviews last year and the year prior to that I was expecting a down turn. In revenue terms that materialised but the result was robust, albeit bolstered by a number of one off gains. Demand for our companies' products and services was also robust and 2014 was another extremely successful year for our group. With only minor exceptions, our businesses performed in line with, or ahead of plan and once again much credit is due to our divisional management for their achievements.

The outlook for our group in 2015 is positive. Total orders on hand for capital equipment at the end of 2014 were €278.9 million (2013: €256.0 million) and this a healthy enough situation. Whereas political and economic uncertainties may or may not impact our businesses, this has always been the case and I am confident that 2015 will be another successful year for our group.

Anthony J Langley

Chairman

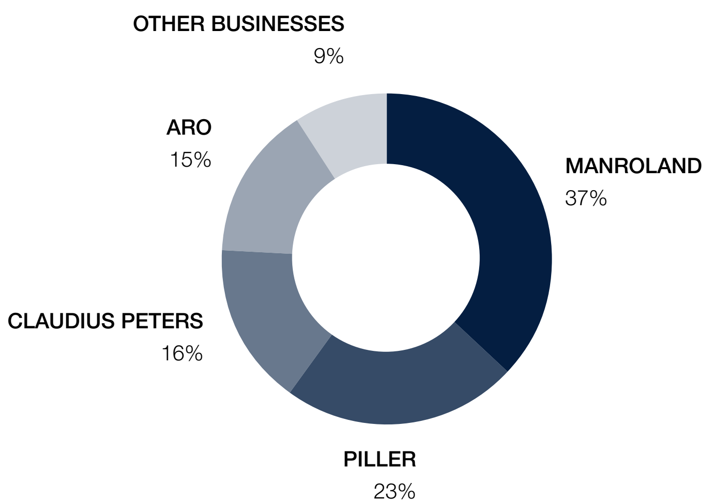
2 February 2015

LANGLEY

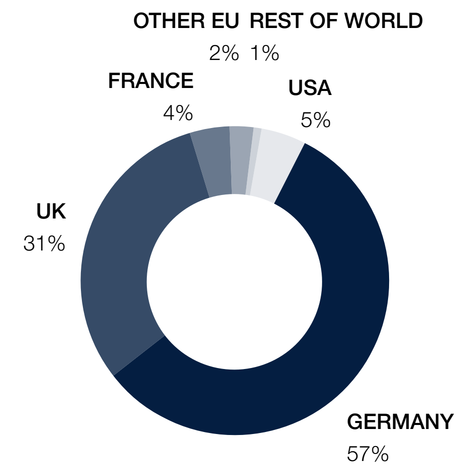
Geographical Distribution

YEAR ENDED 31 DECEMBER 2014

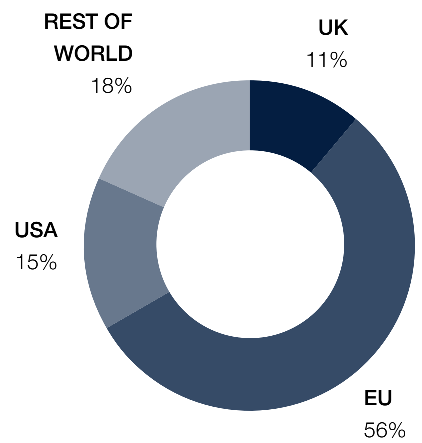
REVENUE BY DIVISION



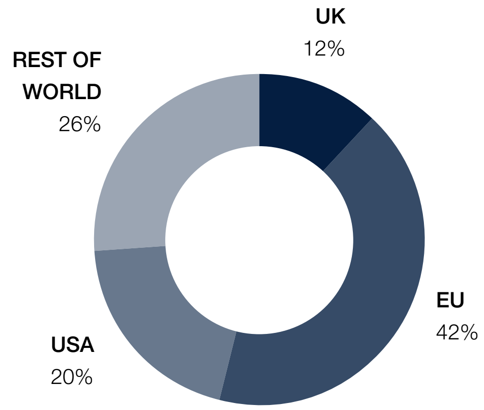
SITU OF FIXED ASSETS



REVENUE BY ORIGIN



REVENUE BY DESTINATION



Directors' Report

YEAR ENDED 31 DECEMBER 2014

The Directors present their report together with the audited Accounts of the Group for the year ended 31 December 2014.

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 17 to the accounts.

RESULTS AND DIVIDENDS

The results for the Group for the year are set out on page 31. The profit attributable to the shareholder for the financial year was €76,195,000 (2013 - €65,228,000).

Dividends of €25,000,000 were paid to the ordinary shareholder during the year (2013 - €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 29 days (2013 – 25 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 2014 Ordinary shares of £1 each	At 31 Dec 2013 Ordinary shares of £1 each
A J Langley (Chairman)	60,100,010	60,100,010
J J Langley (Non-Executive)	-	-
B A Watson	-	-

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

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.

LANGLEY

Directors' Report (continued)

YEAR ENDED 31 DECEMBER 2014

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
2 February 2015

Strategic Report

YEAR ENDED 31 DECEMBER 2014

The Directors present their Strategic Report for the year ended 31 December 2014 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 34 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 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 34 to the Accounts.

LANGLEY

Strategic Report (continued)

YEAR ENDED 31 DECEMBER 2014

(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

	2014	2013
	€'000	**€'000**
Orders on hand	278,882	256,025
Cash held	280,747	278,645

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
2 February 2015

Independent Auditor's Report to the Member

YEAR ENDED 31 DECEMBER 2014

We have audited the Accounts of Langley Holdings Plc for the year ended 31 December 2014 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 43. 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 the Parent Company's affairs as at 31 December 2014 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.

LANGLEY

Independent Auditor's Report to the Member (continued)

YEAR ENDED 31 DECEMBER 2014

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and 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

2 February 2015

Consolidated Income Statement

YEAR ENDED 31 DECEMBER 2014

	Note	2014 €'000	2013 €'000
REVENUE	2	779,367	833,892
Cost of sales		(512,453)	(560,905)
GROSS PROFIT		266,914	272,987
Net operating expenses	3	(168,437)	(183,717)
OPERATING PROFIT	4	98,477	89,270
OPERATING PROFIT BEFORE NON-RECURRING ITEMS		91,085	89,270
NON-RECURRING ITEMS	5	7,392	-
		98,477	89,270
Finance income	7	2,436	2,737
Finance costs	8	(264)	(587)
PROFIT BEFORE TAXATION		100,649	91,420
Income tax expense	12	(24,454)	(26,192)
PROFIT FOR THE YEAR		76,195	65,228

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

The notes on pages 39 to 96 form part of these accounts

Consolidated Statement of Comprehensive Income

YEAR ENDED 31 DECEMBER 2014

	Note	2014 €'000	2013 €'000
Profit for the year		76,195	65,228
Other comprehensive income:			
Items which will not be reclassified to profit and loss			
Remeasurement (loss) /gain on defined benefit pension schemes	11	(489)	775
Deferred tax relating to remeasurement	32	98	(155)
		(391)	620
Other deferred tax movements	32	34	100
Items which may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		15,324	(2,707)
Other comprehensive (expense) / income for the year		14,967	(1,987)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		91,162	63,241

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

The notes on pages 39 to 96 form part of these accounts

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2014

	Note	2014 €'000	€'000	2013 €'000	€'000
NON-CURRENT ASSETS					
Intangible assets	15		3,312		2,913
Property, plant and equipment	16		202,266		147,083
Investments	17		15		14
Trade and other receivables	18		1,983		1,755
Deferred income tax assets	32		24,825		21,347
Income tax recoverable	19		39		50
			232,440		173,162
CURRENT ASSETS					
Inventories	20	153,687		140,801	
Trade and other receivables	22	164,925		187,595	
Cash and cash equivalents	23	280,747		278,645	
Current income tax recoverable	24	6,493		4,332	
		605,852		611,373	
CURRENT LIABILITIES					
Current portion of long term borrowings	28	110		85	
Current income tax liabilities	27	13,677		7,193	
Trade and other payables	25	181,020		198,643	
Provisions	26	28,346		28,991	
		223,153		234,912	
NET CURRENT ASSETS			382,699		376,461
Total assets less current liabilities			615,139		549,623
NON-CURRENT LIABILITIES					
Provisions	26	3,149		2,868	
Long term borrowings	29	778		53	
Trade and other payables	30	14,648		11,302	
Retirement benefit obligations	31	12,874		11,354	
Deferred income tax liabilities	32	20,773		27,521	
			52,222		53,098
NET ASSETS			562,917		496,525
EQUITY					
Share capital	37		71,227		71,227
Merger reserve	38		4,491		4,491
Revaluation reserve	39		3,929		4,011
Retained earnings	40		483,040		416,796
Minority interest	41		230		-
TOTAL EQUITY			562,917		496,525

Approved by the Board of Directors on 2 February 2015 and signed on its behalf by

A J LANGLEY
Director

J J LANGLEY
Director

The notes on pages 39 to 96 form part of these accounts

LANGLEY

Consolidated Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2014

	Share capital €'000	Merger reserve €'000	Revaluation reserve €'000	Retained earnings €'000	Minority interest €'000	Total €'000
AT 1 JANUARY 2013	163	-	4,363	378,203	-	382,729
Profit for the year	-	-	-	65,228	-	65,228
Depreciation transfer	-	-	(350)	450	-	100
Currency exchange difference arising on retranslation	-	-	(2)	(2,705)	-	(2,707)
Remeasurement of defined benefit schemes net of deferred tax	-	-	-	620	-	620
TOTAL COMPREHENSIVE INCOME	-	-	(352)	63,593	-	63,241
Issue of shares on merger	-	75,555	-	-	-	75,555
Bonus issue of shares	71,064	(71,064)	-	-	-	-
Dividends paid	-	-	-	(25,000)	-	(25,000)
AT 31 DECEMBER 2013	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

The notes on pages 39 to 96 form part of these accounts

Company Statement of Financial Position

AS AT 31 DECEMBER 2014

	Note	2014 €'000	€'000	2013 €'000	€'000
NON-CURRENT ASSETS					
Property, plant and equipment	16		21,157		9,126
Investments	17		87,065		81,623
Deferred income tax assets	32		45		72
			108,267		90,821
CURRENT ASSETS					
Inventories	20	12		21	
Trade and other receivables	22	155,887		111,468	
Cash and cash equivalents	23	113,426		102,306	
Current income tax recoverable	24	368		16	
		269,693		213,811	
CURRENT LIABILITIES					
Trade and other payables	25	3,343		3,506	
		3,343		3,506	
NET CURRENT ASSETS			266,350		210,305
Total assets less current liabilities			374,617		301,126
NET ASSETS			374,617		301,126
EQUITY					
Share capital	37		71,227		71,227
Merger reserve	38		4,491		4,491
Retained earnings	40		298,899		225,408
TOTAL EQUITY			374,617		301,126

Approved by the Board of Directors on 2 February 2015 and signed on its behalf by

A J LANGLEY — Director

J J LANGLEY — Director

The notes on pages 39 to 96 form part of these accounts

LANGLEY

Company Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2014

	Share capital €'000	Merger reserve €'000	Revaluation reserve €'000	Retained earnings €'000	Total €'000
AT 1 JANUARY 2013	163	-	36	194,718	194,917
Profit for the year	-	-	-	56,367	56,367
Depreciation transfer	-	-	(35)	55	20
Currency exchange differences arising on retranslation	-	-	1	(732)	(733)
TOTAL COMPREHENSIVE INCOME	-	-	(36)	55,690	55,654
Issue of shares on merger	-	75,555	-	-	75,555
Bonus issue of shares	71,064	(71,064)	-	-	-
Dividends paid	-	-	-	(25,000)	(25,000)
AT 31 DECEMBER 2013	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

The notes on pages 39 to 96 form part of these accounts

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2014

	Note	2014 €'000	€'000	2013 €'000	€'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	43		107,408		81,645
Bank and loan interest paid			(264)		(587)
Interest received			2,436		2,737
Income taxes paid			(26,293)		(33,858)
NET CASH FROM OPERATING ACTIVITIES			83,287		49,937
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash acquired on business combinations		7,223		46,482	
Consideration for business combinations, including acquisition costs		(22,166)		-	
Purchase of intangible assets		(83)		(742)	
Purchase of property, plant and equipment		(57,617)		(7,114)	
Proceeds from sale of property, plant and equipment		7,112		1,155	
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES			(65,531)		39,781
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of amounts borrowed		(1,245)		(27)	
Dividends paid to the shareholder		(25,000)		(25,000)	
NET CASH USED IN FINANCING ACTIVITIES			(26,245)		(25,027)
Net (decrease) / increase in cash and cash equivalents			(8,489)		64,691
Cash and cash equivalents at 1 January 2014			278,645		208,223
Effects of exchange rate changes on cash and cash equivalents			10,591		5,731
Cash and cash equivalents at 31 December 2014			280,747		278,645
CASH AND CASH EQUIVALENTS CONSISTS OF:					
Cash in hand, at bank and short term deposits	23		280,747		278,645

The notes on pages 39 to 96 form part of these accounts

Company Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2014

	Note	2014 €'000	2014 €'000	2013 €'000	2013 €'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash used in operations	43		(42,615)		(6,086)
Interest paid			(12)		(27)
Interest received			4,974		5,448
Income taxes paid			(335)		(1,005)
NET CASH USED IN OPERATING ACTIVITIES			(37,988)		(1,670)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received		81,214		55,197	
Purchase of property, plant and equipment		(11,910)		(1,885)	
Proceeds from sale of property, plant and equipment		165		69	
NET CASH GENERATED FROM INVESTING ACTIVITIES			69,469		53,381
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to the shareholder		(25,000)		(25,000)	
NET CASH USED IN FINANCING ACTIVITIES			(25,000)		(25,000)
Net increase in cash and cash equivalents			6,481		26,711
Cash and cash equivalents at 1 January 2014			102,306		77,341
Effects of exchange rate changes on cash and cash equivalents			4,639		(1,746)
Cash and cash equivalents at 31 December 2014			113,426		102,306
CASH AND CASH EQUIVALENTS CONSISTS OF:					
Cash in hand, at bank and short term deposits	23		113,426		102,306

The notes on pages 39 to 96 form part of these accounts

Notes to the Accounts

YEAR ENDED 31 DECEMBER 2014

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.

New and amended standards which became effective during the year

Adjustments to the Accounts arising from the adoption of IFRS 10, 11, 12 and amendments to IAS 27, 28, 32 and 36 are disclosed below. There were a number of other Amendments to Standards and a new Interpretation dealing with investment entities, hedge accounting and accounting for levies, 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 14*, Regulatory Deferral Accounts,* and IFRS 15*, Revenue from Contracts with Customers*, are in issue and have not yet been approved by the European Union 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 employee contributions to defined benefit pension schemes, 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.

IFRS 10, *Consolidated Financial Statements*, IFRS 11, *Joint Arrangements*, IFRS 12, *Disclosures of Interests in Other Entities* and related Amendments to other standards

The Group has applied the above new standards and amendments for the first time in the current year. The amendments clarify the requirement to consolidate other entities and the accounting for other investments and related disclosures. The new standards and amendments have not had a material impact on the income statement, statement of comprehensive income or the statement of financial position.

Amendments to IAS 32, *Offsetting Financial Assets and Financial Liabilities*

The Group has applied the amendments to IAS 32 to for the first time in the current year. The amendments clarify the circumstances when financial assets and financial liabilities shall be offset in the Accounts. 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 2014

1 ACCOUNTING POLICIES (continued)

a Amendments to IAS 36, *Impairment of Assets*

The Group has applied the amendments to IAS 36 for the first time in the current year. The amendments clarify the disclosures required when the recoverable amount of an impaired asset is based on fair value less costs of disposal. The amendments have not resulted in any additional disclosure in the Accounts.

b Consolidation

The Consolidated Accounts incorporate the Accounts of the Company and all of its subsidiary undertakings for the year ended 31 December 2014 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. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the minority interests based on their respective ownership interests.

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 13).

The Druck-Chemie Group was acquired on 4 November 2014 by Sheetfed Holdings Limited, a company in which Langley Holdings Plc holds 100% of the share capital.

On this date Sheetfed Holdings Limited purchased 100% of the share capital of DC Druck-Chemie Nord GmbH, 100% of the share capital of DC Green France SAS and 40% of the share capital of DC Iberica SL. The holdings in other Druck-Chemie companies listed in note 17 were acquired indirectly through this transaction.

Further details of the acquisition are provided in note 14.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

1 ACCOUNTING POLICIES (continued)

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.

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 10 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.

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

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 2014

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 2014

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 €1.25 (2013 - €1.18) to the Pound Sterling. The opening exchange rate was €1.20 (2013 - €1.23) to the Pound Sterling and the closing exchange rate was €1.28 (2013 - €1.20) 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 2014

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 (if any) 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 2014

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, mortality. Differences arising from actual experiences or future changes in assumptions will be reflected in subsequent periods. See note 11 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.

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

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 12 and 32 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 2014

2 REVENUE

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

	2014 €'000	2013 €'000
Revenue from construction contracts	163,087	175,950
Sale of goods	616,280	657,942
	779,367	833,892

3 ANALYSIS OF NET OPERATING EXPENSES

	2014 €'000	2013 €'000
Distribution costs	45,587	50,012
Administrative expenses	136,782	142,909
Non-recurring items (note 5)	(7,392)	-
Other operating income (note 6)	(6,540)	(9,204)
Net operating expenses	168,437	183,717

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

4 OPERATING PROFIT

	2014 €'000	2013 €'000
Operating profit has been arrived at after charging / (crediting):		
Directors' emoluments (note 9)	2,056	1,694
Depreciation of owned assets (note 16)	10,199	10,532
Amortisation of intangibles (note 15)	355	444
Research and development costs	6,595	6,378
Loss / (profit) on sale of property, plant and equipment	1,935	(212)
Fees payable to the Group's auditor for the audit of the Group's Accounts	182	172
Fees payable to the Group's auditor and its associates for other services		
- the auditing of Subsidiary Accounts	1,099	1,130
- other services relating to taxation compliance	182	191
- all other services	254	391
Operating leases		
- land and buildings	4,185	5,079
- other	1,681	2,257
Impairment of trade receivables	407	4,362
Cost of inventories recognised as an expense (included in cost of sales)	347,279	391,350
Net loss on foreign currency translation	1,407	174
Write down of inventories	4,187	5,887

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

5 NON-RECURRING ITEMS

The non-recurring gain of €7,392,000 in the current year relates to the purchase of the Druck-Chemie Group less acquisition costs of €666,000. Further details are disclosed in note 14.

6 OTHER OPERATING INCOME

	2014	2013
Other operating income includes:	**€'000**	**€'000**
Public grants	620	628
Rents receivable	373	497

7 FINANCE INCOME

	2014	2013
	€'000	**€'000**
Bank interest receivable	1,771	2,059
Other interest receivable	665	678
	2,436	2,737

8 FINANCE COSTS

	2014	2013
	€'000	**€'000**
Other interest	264	587

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

9 KEY MANAGEMENT PERSONNEL COMPENSATION

	2014	2013
	€'000	**€'000**
Salaries and short-term employee benefits	2,278	1,880
Post-employment benefits	55	40
	2,333	1,920

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

Directors' emoluments

	2014	2013
	€'000	**€'000**
Aggregate emoluments as Directors of the Company	2,001	1,654
Value of Group pension contributions to money purchase schemes	55	40
	2,056	1,694
Emoluments of the highest paid Director	1,331	990

	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 2014

10 EMPLOYEE NUMBERS AND COSTS

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

	2014 No.	2013 No.
Management, office and sales	2,044	2,087
Manufacturing and direct labour	2,049	1,955
	4,093	4,042

The aggregate payroll costs of these persons were as follows:

	2014 €'000	2013 €'000
Wages and salaries	202,902	200,633
Social security costs	42,130	42,474
Other pension costs	3,919	2,517
	248,951	245,624

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

11 POST-EMPLOYMENT BENEFITS

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

	2014 €'000	2013 €'000
Balance sheet obligations for:		
Defined pension benefits	(10,021)	(8,213)
Post-employment medical benefits	(2,853)	(3,141)
Liability in the balance sheet	(12,874)	(11,354)
Income statement charge included in operating expenses for:		
Defined pension benefits	(1,231)	(17)
Post-employment medical benefits	(146)	(41)
	(1,377)	(58)
Remeasurements charge for:		
Defined pension benefits	(382)	(179)
Post-employment medical benefits	(107)	(17)
	(489)	(196)

The income statement charge included within operating expenses includes current service cost, net interest cost 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 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 2014

11 POST-EMPLOYMENT BENEFITS (continued)

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

	2014 €'000	2013 €'000
Present value of funded obligations	(14,285)	(12,119)
Fair value of plan assets	17,253	14,853
Net surplus on funded plans	2,968	2,734
Present value of unfunded obligations	(9,768)	(8,020)
Total deficit of defined benefit pension plans	(6,800)	(5,286)
Impact of asset ceiling	(3,221)	(2,927)
Liability in the balance sheet	(10,021)	(8,213)

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:

	2014 €'000	2013 €'000
Current service cost	(1,192)	46
Expenses	(4)	(11)
Net interest cost	(35)	(52)
	(1,231)	(17)

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

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

11 POST-EMPLOYMENT BENEFITS (continued)

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

	2014 €'000	2013 €'000
Loss from changes in financial assumptions	(1,499)	(264)
Gain from change in demographic assumptions	101	139
Experience losses	-	(2)
Return on assets, excluding interest income	975	(239)
Change in the effect of the asset ceiling excluding interest income	41	187
	(382)	(179)

Changes in present value of obligations:

	2014 €'000	2013 €'000
Present value of obligations at start of the year	(20,139)	(20,552)
Adjustment	-	(11)
Current service cost	(1,192)	46
Expenses	(4)	(11)
Interest cost	(584)	(527)
Acturial gain / (loss) on Scheme liabilities based on:		
- Changes in financial assumptions	(1,499)	409
- Changes in demographic assumptions	101	(139)
- Experience gains	-	2
Benefits paid	420	399
Other movements	15	(2)
Exchange differences	(857)	247
Acquired in business combination	(314)	-
Present value of obligation at end of the year	(24,053)	(20,139)

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

11 POST-EMPLOYMENT BENEFITS (continued)

Changes in the fair value of scheme assets:

	2014 €'000	2013 €'000
Fair value of scheme assets at the start of the year	14,853	14,520
Interest income	686	585
Remeasurement of scheme assets	975	239
Contributions by employers	87	132
Benefits paid	(379)	(357)
Exchange differences	1,031	(266)
Fair value of scheme assets at the end of the year	17,253	14,853

The significant actuarial assumptions were as follows:

	2014 UK	2014 Eurozone	2013 UK	2013 Eurozone
Rate of increase in salaries	-	2.41%	-	0.5 - 2.8%
Discount rate	3.4-3.6%	1.5-1.9%	4.5%	2.5 - 4.1%
Inflation	3.0-3.1%	1.9-2.4%	3.5 - 3.6%	0.5 - 2.8%

The inflation assumption shown for the UK is for the Retail Price Index. The assumption for the Consumer Price Index at 31 December 2014 was 2.0-2.1%.

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:

	2014	2013
Retiring at the end of the reporting period:		
Male	22 years	22 years
Female	24-25 years	24 - 25 years
Retiring 20 years after the end of the reporting period:		
Male	23 - 24 years	23 - 24 years
Female	26 years	26 - 27 years

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

11 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 3.5 - 4.1%	Increase obligation by 3.5- 4.1%
Inflation	0.25%	Increase obligation by 0.2 - 2.8%	Decrease obligation by 0.2 - 2.8%
Life expectancy	1 year	Increase obligation by 2.7 - 2.9%	Decrease obligation by 2.7 - 2.9%

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:

	2014 €'000	2013 €'000
Present value of unfunded obligations	(2,853)	(3,141)
Liability in the balance sheet	(2,853)	(3,141)

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

11 POST-EMPLOYMENT BENEFITS (continued)

The movement in the defined benefit liability over the year is as follows:

	Present value of obligation €'000
At 1 January 2014	(3,141)
The amount recognised in the income statement:	
Current service cost	(141)
Interest income	(5)
	(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	(102)
	(107)
Other movement	203
Payments from scheme - benefit payments	477
Exchange differences	(139)
At 31 December 2014	(2,853)

c) Post-employment benefits (pension and medical)

Schemes' assets are comprised as follows:

	2014 Total €'000	2014 %	2013 Total €'000	2013 %
Equity instruments	10,762	62%	6,190	42%
Equities and equity funds	3,799		3,450	
Diversified growth fund	6,963		2,740	
Debt instruments	5,499	32%	7,784	52%
Government	3,971		2,911	
Corporate bonds (investment grade)	1,528		4,873	
Property	410	3%	327	2%
Cash and cash equivalents	267	1%	355	3%
Other	315	2%	197	1%
Total	17,253	100%	14,853	100%

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

11 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 defined benefit scheme, 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 2014 consists 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 15 years. There is no deficit in the defined benefits scheme. The next triennial valuations are due to be completed as at 5 April 2015 and 31 July 2015 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 2015 are €238,000.

The weighted average duration of the defined benefit obligation is 16.3 years.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

12 INCOME TAX EXPENSE

(a) Charge for the year	2014	2013
	€'000	€'000
Current income tax:		
UK corporation tax at 21.49% (2013 – 23.25%)	1,330	4,283
Overseas tax	28,523	25,591
Adjustments to prior year UK tax	89	129
Adjustments to prior year overseas tax	(265)	(669)
Total current taxation	29,677	29,334
Deferred income tax:		
Movement in overseas deferred tax	(5,700)	(3,384)
Movement in UK deferred tax	477	242
Total deferred taxation	(5,223)	(3,142)
Income tax expense	24,454	26,192

(b) Factors affecting tax expense	2014	2013
	€'000	€'000
Profit before taxation	100,649	91,420
Profit before taxation multiplied by the standard rate of tax of 21.49% (2013 – 23.25%)	21,629	21,255
Depreciation less than capital allowances	-	(19)
Expenses not deductible for tax purposes	1,113	9,127
Income not taxable	(1,816)	(636)
Timing differences	(3,521)	(2,791)
Effect of foreign tax rates	9,504	(6,106)
Utilisation of losses brought forward	(1,767)	(1,932)
Deferred tax assets not recognised	1,628	7,128
Exchange adjustment	(1,836)	495
Adjustment to tax charge in previous period	(480)	(329)
Tax expense	24,454	26,192

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

12 INCOME TAX EXPENSE (continued)

(c) Factors that may affect future tax charges

The Group had UK tax losses of approximately €2,254,000 at 31 December 2014 (2013 - €1,959,000) available for carry forward against future trading profits. In addition the Claudius Peters Group had overseas tax losses of approximately €1,756,000 at 31 December 2014 (2013 - €1,132,000), the ARO Group €15,000 (2013 - €73,000), the Manroland Group €146,105,000 (2013 - €154,529,000), CPVA GmbH €51,000 (2013 - €nil) and the Druck-Chemie Group €7,285,000 available for carry forward against future trading profits of that Group.

(d) Impact of future tax rate changes

Finance Act 2013 includes legislation to reduce the main rate of corporation tax in the UK from 21% to 20% from 1 April 2015.

13 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 €86,512,000 (2013 – €56,367,000).

14 ACQUISITIONS DURING THE PERIOD

The Druck-Chemie Group was acquired on 4 November 2014 by Sheetfed Holdings Limited, a company in which Langley Holdings Plc holds 100% of the share capital.

On this date, Sheetfed Holdings Limited purchased 100% of the share capital of DC Druck-Chemie Nord GmbH, 100% of the share capital of DC Green France SAS and 40% of the share capital of DC Iberica SL. The holdings in other Druck-Chemie companies listed in note 17 were acquired indirectly through this transaction.

The Druck-Chemie Group specialises in the development, manufacture and supply of chemical and technical products and accessories for the printing industry, as well as providing waste reprocessing and recycling services.

Further details of the group's investments are provided in note 17.

The acquisition of the Druck-Chemie Group enables the Group to provide complementary goods and services to the Group's existing offering to the printing industry.

A gain on bargain purchase arose as the Druck-Chemie Group was acquired from DC Plus Beteiligungs GmbH which was in administration at the time of the acquisition.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

14 ACQUISITIONS DURING THE PERIOD (continued)

The acquisition had the following effect on the Group's assets and liabilities:

	Net assets acquired **€'000**
Intangible assets	402
Property, plant and equipment	13,862
Inventories	6,487
Cash	7,223
Other assets	11,576
Other liabilities	(13,013)
Deferred tax	3,251
Net assets	29,788
Cash consideration	21,500
Minority interests	230
	21,730
Gains on bargain purchase recognised in non-recurring items.	8,058

The above reflects the book value of assets and liabilities acquired. No fair value adjustments were required on acquisition as the book value was considered to reflect the fair value of the assets and liabilities acquired.

Had the acquisition occurred on 1 January 2014, the Group's revenue for the period to 31 December 2014 would have been €851,581,000 and the Group's profit for the period would have been €80,765,000. These amounts have been determined by applying the Group's accounting policies.

The acquisition has been treated as if it had occurred on 31 December 2014. The impact of this on the consolidated statement of comprehensive income is considered immaterial to the Accounts and would have a €nil net impact on profit for the year.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

15 INTANGIBLE ASSETS

GROUP	Positive Goodwill **€'000**	Patents and Licences **€'000**	Total **€'000**
Cost			
At 1 January 2014	2,119	3,516	5,635
Additions	-	83	83
On acquisition	-	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
Cost			
At 1 January 2013	2,207	2,602	4,809
Additions	-	742	742
On aquisition	-	246	246
Exchange adjustment	(88)	(74)	(162)
At 31 December 2013	2,119	3,516	5,635
Aggregate impairment and amortisation			
At 1 January 2013	-	2,256	2,256
Amortisation charge for the year	-	444	444
On acquisition	-	25	25
Exchange adjustment	-	(3)	(3)
At 31 December 2013	-	2,722	2,722
Net book values			
At 31 December 2013	2,119	794	2,913
At 31 December 2012	2,207	346	2,553

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

16 PROPERTY, PLANT AND EQUIPMENT

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

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

16 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 2013	74,916	77,307	10,137	13,268	175,628
Additions	613	3,451	2,599	558	7,221
On acquisition	6,347	34,939	916	1,032	43,234
Disposals	(24)	(1,664)	(1,137)	(302)	(3,127)
Reclassification	48,448	-	-	-	48,448
Exchange adjustments	(621)	(1,348)	(461)	(322)	(2,752)
At 31 December 2013	129,679	112,685	12,054	14,234	268,652
Depreciation					
At 1 January 2013	32,933	62,124	5,921	11,387	112,365
Charge for the year	2,109	5,345	1,835	1,243	10,532
On acquisition	1,418	729	246	128	2,521
Disposals	-	(928)	(943)	(300)	(2,171)
Exchange adjustments	(159)	(978)	(406)	(135)	(1,678)
At 31 December 2013	36,301	66,292	6,653	12,323	121,569
Net book amount					
At 31 December 2013	93,378	46,393	5,401	1,911	147,083
At 31 December 2012	41,983	15,183	4,216	1,881	63,263

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

16 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 2014

16 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 2013	6,741	2,000	2,081	460	11,282
Additions	1,269	470	144	2	1,885
Disposals	-	(105)	(169)	(12)	(286)
Exchange adjustments	(102)	(31)	(41)	(9)	(183)
At 31 December 2013	7,908	2,334	2,015	441	12,698
Depreciation					
At 1 January 2013	257	1,551	1,202	267	3,277
Disposals	-	(105)	(143)	(12)	(260)
Charge for the year	132	113	316	50	611
Exchange adjustments	(2)	(30)	(19)	(5)	(56)
At 31 December 2013	387	1,529	1,356	300	3,572
Net book amount					
At 31 December 2013	7,521	805	659	141	9,126
At 31 December 2012	6,484	449	879	193	8,005

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

16 PROPERTY, PLANT AND EQUIPMENT (continued)

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

	Group		Company	
	2014	2013	2014	2013
	€'000	**€'000**	**€'000**	**€'000**
Freehold land and buildings				
Cost	116,617	98,082	19,121	7,195
Aggregate depreciation	38,390	35,179	594	385

17 NON-CURRENT INVESTMENTS

	Group Shares in unlisted undertakings **€'000**	**Company** Shares in group undertakings **€'000**
Cost		
At 1 January 2014	14	81,623
Additions	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

	Group Shares in unlisted undertakings **€'000**	**Company** Shares in group undertakings **€'000**
Cost		
At 1 January 2013	-	7,669
On acquisition	28	75,555
Revaluation	(14)	-
Exchange adjustment	-	(1,601)
At 31 December 2013	14	81,623
Carrying amount		
At 31 December 2013	14	81,623
At 31 December 2012	-	7,669

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

17 NON-CURRENT INVESTMENTS (continued)

The following companies are wholly owned unlisted trading subsidiaries at 31 December 2014:

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
ARO Welding Technologies Inc	United States of America	distribution of resistance welding equipment and control systems

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

17 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Principal Activity
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	Property rental
Sheetfed Holdings Limited	England	Parent company (see below)

The following companies are wholly owned unlisted trading subsidiaries of ARO Welding Technologies SAS, at 31 December 2014:

Company	Country of Registration	Principal Activity
ARO Wel g 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 Technologies Ltda	Brazil	

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

17 NON-CURRENT INVESTMENTS (continued)

The following companies are wholly owned unlisted subsidiaries of Bradman Lake Group Limited, at 31 December 2014:

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	

The following companies are wholly owned unlisted subsidiaries of The Clarke Chapman Group Limited, at 31 December 2014:

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

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

17 NON-CURRENT INVESTMENTS (continued)

The following companies are wholly owned unlisted subsidiaries of Claudius Peters Group GmbH, at 31 December 2014:

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	
Claudius Peters (Beijing) Machinery Services Limited	China	
Claudius Peters India Pvt. Limited	India	
Claudius Peters (Asia Pacific) Pte Ltd	Singapore	
Claudius Peters Automation srl	Romania	

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

17 NON-CURRENT INVESTMENTS (continued)

The following companies are wholly owned unlisted subsidiaries of Piller Holding GmbH, at 31 December 2014:

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

The following companies are wholly owned unlisted subsidiaries of Piller Group GmbH, at 31 December 2014:

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	
Piller Iberica SL	Spain	
Piller Power Singapore Pte. Limited	Singapore	
Piller Germany GmbH & Co KG	Germany	
Piller Management GmbH	Germany	
Endurance Power Protection Pvt Ltd	India	

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

17 NON-CURRENT INVESTMENTS (continued)

The following companies are investments held by Sheetfed Holdings Limited and its subsidiaries, at 31 December 2014:

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	99.9%	Note 2
Manroland Mexico Servicos S.A. de C.V.	Mexico	99.9%	Note 2
Manroland do Brasil Serviços Ltda	Brazil	99.9%	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 Thailand Ltd	Thailand	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
Web Tech Engineering Sdn. Bhd.	Malaysia	100%	Note 2
Manroland Malaysia Sdn. Bhd	Malaysia	100%	Note 2
Votra SA	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
Manroland (China) Limited	China	100%	Note 2
Printcom (Asia) Ltd	China	100%	Note 2

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

17 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Percentage Ownership	Principal Activity
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 Hrvatska 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.p.a	Italy	100%	Note 2
Manroland Benelux N.V.	Belgium	100%	Note 2
Manroland Nordic Norge A/S	Norway	100%	Note 2
AS Polymark	Estonia	48%	Note 2
Manroland Southern Africa (PTY) Ltd	South Africa	100%	Note 2
Manroland IP GmbH	Germany	50%	Note 4

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

17 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Percentage Ownership	Principal Activity
DC Druck-Chemie Nord GmbH	Germany	100%	Note 5
DC Green France SAS	France	100%	Note 5
DC Iberica SL Spain	Spain	40%	Note 5
DC Druck-Chemie GmbH*	Germany	100%	Note 5
DC Druck-Chemie Verwaltungs – und Geschäftsführung GmbH*	Germany	100%	Note 5
DC Druck-Chemie Ziza GmbH + Co.KG*	Germany	100%	Note 5
DC Druck-Chemie Süd – Beteilungsverwaltungs GmbH*	Germany	100%	Note 5
DC Druck-Chemie Süd GmbH + Co.KG*	Germany	100%	Note 5
DC Druck-Chemie Polska Sp.z.o.o.*	Poland	90%	Note 5
DC Druck-Chemie s.r.o*	Czech Republic	100%	Note 5
DC Druck-Chemie SAS*	France	100%	Note 5
DC Druck Chemie UK Limited	Scotland	100%	Note 5
DC Druck-Chemie Italia S.R.L*	Italy	100%	Note 5
DC Druck-Chemie Benelux BV*	Benelux	100%	Note 5
DC Druck-Chemie Brazil LTDA*	Brazil	82%	Note 5
DC Druck-Chemie AG*	Switzerland	100%	Note 5
Siegel Grundstück GmbH*	Germany	100%	Note 3
SCI ADIC*	France	100%	Note 3

* 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: Property rental

Note 4: Intellectual Property

Note 5: 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 2014

18 NON-CURRENT TRADE AND OTHER RECEIVABLES

	Group 2014 €'000	Group 2013 €'000
Other receivables	1,692	1,716
Pension scheme prepayment	291	39
	1,983	1,755

19 NON-CURRENT INCOME TAX RECOVERABLE

	Group 2014 €'000	Group 2013 €'000
Income tax	39	50

20 INVENTORIES

	Group 2014 €'000	Group 2013 €'000	Company 2014 €'000	Company 2013 €'000
Raw materials	61,126	61,317	-	-
Work in progress	56,237	52,154	-	-
Finished goods	36,324	27,330	12	21
	153,687	140,801	12	21

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

21 CONSTRUCTION WORK IN PROGRESS

Contracts in progress at the year end:

	Group	
	2014	2013
	€'000	**€'000**
Amounts due from contract customers included in trade and other receivables (note 22)	17,168	29,147
Amounts due to contract customers included in trade and other payables (note 25)	(2,605)	(2,503)
	14,563	26,644
Contract costs incurred plus recognised profit less recognised losses to date	159,940	200,298
Less: Progress billings	(145,377)	(173,654)
	14,563	26,644

22 CURRENT TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	€'000	**€'000**	**€'000**	**€'000**
Trade receivables	116,074	123,815	185	136
Retentions	5,384	4,682	-	-
Amounts recoverable on construction contracts	17,168	29,147	-	-
Amounts owed by Group undertakings	-	-	150,929	107,743
Directors' current accounts (note 36)	1,538	379	1,538	379
Other receivables	5,805	7,663	-	-
VAT recoverable	4,615	7,939	487	131
Prepayments and accrued income	14,341	13,970	2,748	3,079
	164,925	187,595	155,887	111,468

For terms and conditions relating to related party receivables, refer to note 36.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

22 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	
	2014	2013
	€'000	**€'000**
Balance at beginning of the year	21,412	2,549
On acquisition	1,672	18,233
Exchange differences	3,107	1,968
Charge for the year	3,381	3,501
Amounts written off	(7,520)	(4,553)
Unused amounts reversed	(3,349)	(286)
Balance at end of the year	18,703	21,412

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					
2014	21,465	5,928	4,149	2,284	1,200
2013	24,045	4,611	4,253	3,976	817
Company					
2014	1	-	5	154	-
2013	-	-	-	4	130

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

23 CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	2014	2013
	€'000	€'000	€'000	€'000
Cash in hand, at bank and short term deposits	280,747	278,645	113,426	102,306

24 CURRENT INCOME TAX RECOVERABLE

	Group		Company	
	2014	2013	2014	2013
	€'000	€'000	€'000	€'000
Income tax	6,493	4,332	368	16

25 CURRENT TRADE AND OTHER PAYABLES

	Group		Company	
	2014	2013	2014	2013
	€'000	€'000	€'000	€'000
Trade payables	42,916	45,400	754	296
Other payables	7,713	7,186	83	94
Other taxes and social security	7,075	6,607	54	50
Accruals and deferred income	59,033	73,805	480	698
VAT payable	7,923	4,295	-	-
Amounts owed to Group undertakings	-	-	1,972	2,368
Payments on account	53,755	58,847	-	-
Amounts due on construction contracts	2,605	2,503	-	-
	181,020	198,643	3,343	3,506

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

26 PROVISIONS

GROUP	Warranty Provision	Other Provision	Total
	€'000	€'000	€'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

	Warranty Provision	Other Provision	Total
	€'000	€'000	€'000
Balance at 1 January 2013	18,927	3,716	22,643
On acquisition	12,494	13,369	25,863
Additional provision recognised	12,363	4,791	17,154
Provision utilised during the year	(9,193)	(11,222)	(20,415)
Provision released during year	(10,891)	(3,368)	(14,259)
Foreign exchange difference	(157)	1,030	873
Balance at 31 December 2013	23,543	8,316	31,859
Current	21,141	7,850	28,991
Non-current	2,402	466	2,868

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 2014

27 CURRENT INCOME TAX LIABILITIES

	Group	
	2014	2013
	€'000	**€'000**
Income tax	13,677	7,193

28 CURRENT PORTION OF LONG TERM BORROWINGS

	Group	
	2014	2013
	€'000	**€'000**
Loans	110	85

29 LONG TERM BORROWINGS

	Group	
	2014	2013
	€'000	**€'000**
Loans	888	138
Due within one year (included in current liabilities)	(110)	(85)
	778	53
Amounts payable:		
Between one and two years	191	38
Between two and five years	69	15
After five years	518	-
	778	53

The fair value of the loans are approximately equivalent to the book value disclosed above. Interest was charged at 7% (2013 – 8%) on those loans during the year.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

30 NON-CURRENT TRADE AND OTHER PAYABLES

	Group	
	2014	2013
	€'000	**€'000**
Trade payables	322	279
Accruals and deferred income	14,326	11,023
	14,648	11,302

31 RETIREMENT BENEFIT OBLIGATIONS

GROUP	2014	2013
	€'000	**€'000**
At 1 January 2014	11,354	9,436
Adjustment	-	11
Total expense /(income) recognised in the Income Statement in the year	1,377	(225)
Actuarial losses/(gains) – financial assumptions	1,601	(298)
Actuarial (gains)/losses – demographic assumptions	(96)	220
Actuarial gains – experience	(975)	(241)
Changes in the effect of asset ceiling and unrecognised actuarial losses	(41)	(475)
Contributions paid	(86)	(132)
Payments from the plan	(518)	(312)
Acquired in a business combination	314	3,647
Exchange differences	162	22
Other movement	(218)	(299)
At 31 December 2014	12,874	11,354
UK defined benefit pension schemes	253	24
Overseas unfunded defined benefit pension obligations	9,768	8,189
Overseas unfunded medical benefits obligations	2,853	3,141
Retirement benefit obligation in balance sheet	12,874	11,354

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

32 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	
	2014	2013	2014	2013
	€'000	**€'000**	**€'000**	**€'000**
Deferred tax assets	24,825	21,347	45	72
Deferred tax liabilities	(20,773)	(27,521)	-	-
	4,052	(6,174)	45	72

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

	Group		Company	
	2014	2013	2014	2013
	€'000	**€'000**	**€'000**	**€'000**
At 1 January 2014	6,174	9,794	(72)	(125)
Transfer to revaluation reserve	(34)	(100)	-	(20)
Exchange differences	(1,620)	(240)	(1)	8
Income Statement charge (note 12)	(5,223)	(3,142)	28	65
Arising on acquisition	(3,251)	(293)	-	-
Release to equity on actuarial loss	(98)	155	-	-
At 31 December 2014	(4,052)	6,174	(45)	(72)

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

32 DEFERRED INCOME TAX (continued)

GROUP

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

	Accelerated tax depreciation	Tax losses	Other short-term temporary differences	Retirement benefit obligations	Fair value gains	Total
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
At 1 January 2013	3,444	(131)	433	(1,267)	7,315	9,794
Charge/(credit) to income	32	2,090	301	(961)	(4,604)	(3,142)
Recognised in equity regarding remeasurement of defined benefit scheme	-	-	-	155	-	155
Arising on acquisition	(284)	(9,451)	(4,736)	(47)	14,225	(293)
Transfer to revaluation reserve	-	-	-	-	(100)	(100)
Exchange differences	(119)	281	150	79	(631)	(240)
At 31 December 2013	3,073	(7,211)	(3,852)	(2,041)	16,205	6,174
(Charge)/credit 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)

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

32 DEFERRED INCOME TAX (continued)

COMPANY

	Accelerated capital allowances €'000	Fair value gains €'000	Total €'000
At 1 January 2013	(120)	(5)	(125)
Credit to income	65	-	65
Credit to equity	-	(20)	(20)
Exchange differences	4	4	8
At 31 December 2013	(51)	(21)	(72)
Charge to income	11	17	28
Exchange differences	(4)	3	(1)
At 31 December 2014	(44)	(1)	(45)

Unprovided deferred taxation

	Group		Company	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000
Accelerated tax depreciation	2	166	-	-
Tax losses available	41,876	41,388	-	-
Other short term timing differences	448	714	-	-
Retirement benefit obligation	313	268	-	-
	42,639	42,536	-	-

No deferred tax asset has been recognised in respect of the above accelerated tax depreciation, other short term temporary differences and tax losses because the Group is not expected to have sufficient relevant taxable profits to utilise these assets in the near future.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

33 CONTINGENT LIABILITIES

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

	Group		Company	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000
UK group bank guarantees	-	-	8,296	9,101
UK group value added tax	-	-	1,120	535
UK Bonds, guarantees and indemnities	3,082	1,583	3,038	1,583
Overseas bank guarantees	56,731	43,428	-	-
Overseas bonds, guarantees and indemnities	27,492	12,652	-	-
	87,305	57,663	12,454	11,219

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

34 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 2014

34 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**
2014	+10%	(251)	+10%	(2,477)
	-10%	307	-10%	3,028
2013	+10%	(1,383)	+10%	(1,974)
	-10%	1,691	-10%	2,420

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 2014

35 FAIR VALUE MEASUREMENTS

As at 31 December 2014 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
	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

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

35 FAIR VALUE MEASUREMENTS (continued)

GROUP Recurring fair value measurements	Level 1 2013 €'000	Level 2 2013 €'000	Level 3 2013 €'000	Total 2013 €'000
Freehold property	-	93,378	-	93,378
	-	93,378	-	93,378

COMPANY Recurring fair value measurements	Level 1 2013 €'000	Level 2 2013 €'000	Level 3 2013 €'000	Total 2013 €'000
Freehold property	-	7,521	-	7,521
	-	7,521	-	7,521

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 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 2014

35 FAIR VALUE MEASUREMENTS (continued)

GROUP	Fair value at 31 Dec 2013 €'000	Valuation technique	Significant input
Property, plant and equipment – Freehold property	93,378	Market comparable approach	Market price per square metre for comparable properties

COMPANY	Fair value at 31 Dec 2013 €'000	Valuation technique	Significant input
Property, plant and equipment – Freehold property	7,521	Market comparable approach	Market price per square metre for comparable properties

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

36 RELATED PARTY TRANSACTIONS

At 31 December 2014, A J Langley owed €1,538,000 (2013 – €379,000) to the company. The maximum overdrawn balance during the year was €11,871,000 (2013 – €1,610,000).

During the year, the company invoiced management charges and provided funding to group companies with the following amounts outstanding at the year end:

	Amount invoiced during the year		Amount outstanding at the year end	
	2014	2013	2014	2013
	€'000	**€'000**	**€'000**	**€'000**
COMPANY				
The ARO group of companies	808	608	11	62
The Bradman Lake group of companies	128	167	61	204
The Clarke Chapman group of companies	288	263	57	(11)
The Claudius Peters group of companies	952	612	550	112
The Piller group of companies	1,311	1,109	11,560	10,795
The Manroland group of companies	2,029	1,582	63,977	55,721
CPVA GmbH	-	-	18,755	25,616
Retford Investments LLC	-	-	7,547	6,912
Langley Aviation Ltd	-	-	41,756	2,508
Other group companies	427	168	4,683	3,456

Transactions with related parties are at market value, and are unsecured. The Company has recorded a €3,077,000 impairment of receivables relating to amounts owed by subsidiary undertakings during the year (2013 - €604,000) and reversed €950,000 (2013 - €nil) 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 2014

36 RELATED PARTY TRANSACTIONS (Continued)

During the year, the following group companies paid interest on loans from the company:

	2014	2013
	€'000	**€'000**
COMPANY		
The ARO group of companies	31	6
The Bradman Lake group of companies	-	74
The Manroland group of companies	2,471	2,737
CPVA GmbH	713	745
Other group companies	1,104	943

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

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2014

37 SHARE CAPITAL

	2014 €'000	2013 €'000
Authorised:		
60,100,010 ordinary shares of £1 each	71,227	71,227

Allotted, issued and fully paid:	2014 Number	2013 Number	2014 €'000	2013 €'000
At 1 January 2014 (£1 each)	60,100,010	1,000,000	71,227	163
Issue of shares on merger	-	100	-	-
Consolidation to £1 shares	-	(900,090)	-	-
Bonus issue of shares	-	60,000,000	-	71,064
At 31 December 2014 (£1 each)	60,100,010	60,100,010	71,227	71,227

38 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.

39 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).

40 RETAINED EARNINGS

Included within the retained earnings of the Group are foreign currency translation reserves of €8,583,000 (2013 - €(6,741,000)). Included within the retained earnings reserve for the Company is €10,762,000 (2013 – (€1,217,000)) of foreign currency translation reserves.

The net currency exchange difference arising on retranslation in the year was a gain of €15,324,000 (2013 – loss of €2,705,000) for the Group and a gain of €11,979,000 (2013 – loss of €732,000) 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 2014

41 MINORITY INTEREST

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

The minority interest reserve arose during the year on the acquisition of the Druck-Chemie Group. Sheetfed Holdings Limited owns 82% of the share capital in DC Druck-Chemie Brazil LTDA and 90% of the share capital in DC Druck-Chemie Polska Sp.z.o.o. therefore creating a minority interest reserve. Further details are disclosed in notes 14 and 17.

42 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:

	2014 €'000	2013 €'000
Within one year	3,809	3,684
In two to five years	4,994	3,855
After five years	1,712	1,581
	10,515	9,120

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

Notes to the Accounts (continued)

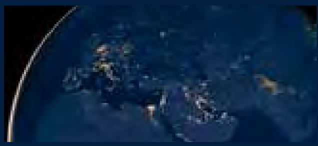
YEAR ENDED 31 DECEMBER 2014

43 CASH GENERATED FROM OPERATIONS

GROUP	2014 €'000	2013 €'000
Profit before taxation	100,649	91,420
Non-recurring gain	(7,392)	-
Depreciation	10,199	10,532
Revaluation of investments	-	14
Loss / (profit) on sale of property, plant and equipment	1,935	(212)
Amortisation of intangibles	355	444
Interest income	(2,436)	(2,737)
Interest expense	264	587
(Increase)/decrease in inventories	(6,399)	29,726
Decrease in trade and other receivables	33,818	2,731
Decrease in trade and other payables	(24,471)	(43,334)
Movement in retirement benefit obligations	555	(688)
Foreign exchange translation adjustments	331	(6,838)
Cash generated from operations	107,408	81,645

COMPANY	2014 €'000	2013 €'000
Profit before taxation	86,527	58,051
Depreciation	725	611
Profit on sale of property, plant and equipment	(75)	(43)
Dividend income received	(81,214)	(55,197)
Interest income	(4,974)	(5,448)
Interest expense	12	27
Decrease in inventories	9	7
Increase in trade and other receivables	(44,420)	(6,972)
(Decrease)/increase in trade and other payables	(162)	136
Foreign exchange translation adjustments	957	2,742
	(42,615)	(6,086)

Printed in Offenbach, Germany using OnePass® technology.



langleyholdings.com