
WERNER UK SALES & DISTRIBUTION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015



WERNER UK SALES & DISTRIBUTION LIMITED
REGISTERED NUMBER:00939028

COMPANY INFORMATION

Directors

T K Lewis
P A Bruton
M A Law
R Rosati
P Sullivan
W T Allen
N Platt

Company secretary

G Hartenstein

Registered number

00939028

Registered office

The Causeway
Maldon
Essex
England
CM9 4LJ

Independent auditors

Deloitte LLP
Chartered Accountants and Statutory Auditor
1 City Square
Leeds
West Yorkshire
LS1 2AL

WERNER UK SALES & DISTRIBUTION LIMITED
REGISTERED NUMBER:00939028

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WERNER UK SALES & DISTRIBUTION LIMITED
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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

Introduction

The Directors have pleasure in presenting their strategic report for the year 31 December 2015.

Principal Activities

The principal activity of the company is the sale and distribution of ladder access equipment.

Business review

During the year, Abru Ltd changed its name to Werner UK Sales and Distribution Ltd.

In July 2014, the company furthered its contemplated integration into the WernerCo group operating structure by separating its sale and distribution activities from its prior manufacturing activities. Werner UK Sales and Distribution Ltd, sold its manufacturing assets to an affiliated UK company, Werner UK Operations Ltd, These financial statements report the first full year of trading under this improved alignment and reflect the profitable operations expected from this structure.

Financial risk management

The Directors believe that the main financial risk of the entity relates to liquidity risk. However, the company has no debt due to third parties outside of the group headed by Werner Worldwide Holding Co. LP and has access to funds provided through intercompany loans.

Financial key performance indicators

The directors consider the key performance indicators of the business to be turnover and profit before tax.

The turnover for the year to December 2015 was £24,312k (2014: £25,989k) and the profit before tax was £328k (2014: £1,863k)

Dividends

There were no dividend payments in 2015 or 2014. The directors do not recommend the payment of a final dividend.

Going concern

Whilst future trading performance within the company is inherently subject to uncertainty, the directors, having received written assurances that intercompany funds will continue to be made available from fellow group companies, and having assessed the ability of these companies to provide this support, have a reasonable and proper expectation that the company will continue to have adequate resources for the foreseeable future.

Employees

The company continues its practice of keeping its employees informed on matters affecting them.

The policy of the company for the employment of disabled persons is to give them equal opportunities with other employees, to train for and attain any position in the company and having regard to the maintenance of a safe working environment and the constraints of their disabilities.

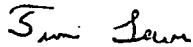
WERNER UK SALES & DISTRIBUTION LIMITED
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STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

Future developments

The directors anticipate that Werner UK Sales and Distribution Limited will continue to act as a sales and distribution business and do not anticipate any changes to the trade and operations for the foreseeable future.

This report was approved by the board on 10 January 2017 and signed on its behalf..



Tim Lewis
Director

WERNER UK SALES & DISTRIBUTION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and the financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £382,000 (2014 - profit of £1,909,000).

Directors

The directors who served during the year and subsequently were:

T K Lewis
P A Bruton
M A Law
R Rosati
P Sullivan
W T Allen
N Platt (appointed 25 May 2016)

Future developments

No significant future developments are identified by management.

WERNER UK SALES & DISTRIBUTION LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

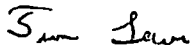
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

Under section 487(2) of the Companies Act 2006, Deloitte LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board on 10 January 2017 and signed on its behalf.



T K Lewis
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WERNER UK SALES & DISTRIBUTION LIMITED

We have audited the financial statements of Werner UK Sales & Distribution for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

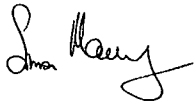
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WERNER UK SALES & DISTRIBUTION LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Simon Manning FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom
11 January 2017

WERNER UK SALES & DISTRIBUTION LIMITED
REGISTERED NUMBER:00939028

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Continuing operations 2015 £000	Discontin'd operations 2015 £000	Total 2015 £000	Continuing operations 2014 £000	Discontinued operations 2014 £000	Total 2014 £000
Turnover	4	24,312	-	24,312	15,221	10,768	25,989
Cost of sales		(21,259)	-	(21,259)	(13,813)	(7,106)	(20,919)
Gross profit		3,053	-	3,053	1,408	3,662	5,070
Distribution costs		(93)	-	(93)	-	(967)	(967)
Administrative expenses		(2,605)	-	(2,605)	(967)	(1,317)	(2,284)
Other operating income		1	-	1	-	-	-
Operating profit	5	356	-	356	441	1,378	1,819
Interest receivable and similar income	9	-	-	-	55	-	55
Interest payable and similar charges	10	(28)	-	(28)	(11)	-	(11)
Profit before tax		328	-	328	485	1,378	1,863
Tax on profit	11	14	-	14	46	-	46
Profit for the year		342	-	342	531	1,378	1,909
Total comprehensive loss for the year				342			1,909

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

The notes on pages 10 to 26 form part of these financial statements.

WERNER UK SALES & DISTRIBUTION LIMITED
REGISTERED NUMBER:00939028

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £000	2014 £000
Fixed assets			
Tangible assets	12	-	624
Current assets			
Debtors: amounts falling due within one year	13	23,039	19,352
Cash at bank and in hand		317	396
		<u>23,356</u>	<u>19,748</u>
Creditors: amounts falling due within one year	14	(14,276)	(12,634)
Net current assets		<u>9,080</u>	<u>7,114</u>
Total assets less current liabilities		<u>9,080</u>	<u>7,738</u>
Provisions for liabilities			
Other provisions	17	(1,000)	-
		<u>(1,000)</u>	<u>-</u>
Net assets		<u><u>8,080</u></u>	<u><u>7,738</u></u>
Capital and reserves			
Called up share capital	18	2,224	2,224
Share premium account	19	36	36
Profit and loss account	19	5,820	5,478
Shareholder's funds		<u><u>8,080</u></u>	<u><u>7,738</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 January 2017.

Tim Lewis

T K Lewis
Director

The notes on pages 10 to 26 form part of these financial statements.

WERNER UK SALES & DISTRIBUTION LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2015 (as previously stated)	2,224	36	4,940	7,200
Prior year adjustment	-	-	538	538
At 1 January 2015 (as restated)	2,224	36	5,478	7,738
Comprehensive income for the year				
Profit for the year	-	-	342	342
Total comprehensive income for the year	-	-	342	342
At 31 December 2015	2,224	36	5,820	8,080

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2014	2,224	36	3,569	5,829
Comprehensive income for the year				
Profit for the year	-	-	1,909	1,909
Total comprehensive income for the year	-	-	1,909	1,909
At 31 December 2014	2,224	36	5,478	7,738

The notes on pages 10 to 26 form part of these financial statements.

WERNER UK SALES & DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. General information

Werner UK Sales & Distribution Limited, formerly known as Abru Limited, is a private company limited by shares, which is incorporated in the UK. The entity is registered at Derwentside Industrial Park, Derby Road, Belper, Derbyshire, DE56 1WE. The company will be included in the consolidated financial statements of Werner Worldwide Holding Co. LP, for the year ended 31 December 2015.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 24.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- *the requirements of Section 7 Statement of Cash Flows;
- *the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- *the requirements of Section 33 Related Party Disclosures;
- *the requirements of Section 11 Financial Instruments

This information is included in the consolidated financial statements of Werner Access Products UK Holdings Limited as at 31 December 2015 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	- 3 to 10 years
Motor vehicles	- 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.5 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.6 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) 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 (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an

WERNER UK SALES & DISTRIBUTION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.9 Financial instruments (continued)

impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

WERNER UK SALES & DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Future events and their effects cannot be determined with absolute certainty. Therefore the determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases, actuarial techniques. The Company constantly re-evaluates these significant factors and makes adjustments where facts and circumstances dictate.

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values as at the reporting date.

The Company's dilapidation provisions are a matter of judgement in respect of the dilapidation costs on exit from leases and in respect of the final amount of reorganisation costs to be incurred.

The Company pays volume rebates to certain customers based on the terms of the relevant contracts. Determining amount of the rebates liability requires an estimation based upon up-to-date trading information. The directors use their knowledge of the business and the trading environment to assess the amount of accrual that is required.

No other significant judgements or estimates have been used by management in the preparation of the financial statements.

4. Analysis of turnover

Analysis of turnover by country of destination:

	2015 £000	2014 £000
United Kingdom	23,569	25,085
Rest of Europe	669	718
Rest of the world	74	186
	<u>24,312</u>	<u>25,989</u>

WERNER UK SALES & DISTRIBUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. Operating profit

The operating profit is stated after charging:

	2015 £000	2014 £000
Depreciation of tangible fixed assets	60	269
Impairment of tangible fixed assets	114	-
Hire of plant and equipment	-	24
Operating lease rentals - plant, machinery and vehicles	54	56
Operating lease rentals - land and buildings	323	323
	<u>323</u>	<u>323</u>

6. Auditor's remuneration

	2015 £000	2014 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	33	33
Other services relating to taxation	8	8
	<u>8</u>	<u>8</u>

7. Employees

Staff costs were as follows:

	2015 £000	2014 £000
Wages and salaries	471	1,015
Social security costs	59	85
Cost of defined contribution scheme	28	57
	<u>558</u>	<u>1,157</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Production and distribution	-	56
Sales and marketing	11	20
Administration, accounting and computing	-	5
	<u>11</u>	<u>81</u>

WERNER UK SALES & DISTRIBUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

8. Directors' remuneration

The highest paid director received remuneration of £59,843 (2014: £152,506).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16,728 (2014: £18,400).

9. Interest receivable and similar income

	2015 £000	2014 £000
Interest receivable from group companies	-	55
	<u> </u>	<u> </u>

10. Interest payable and similar charges

	2015 £000	2014 £000
Bank interest payable	-	11
Loans from group undertakings	28	-
	<u> </u>	<u> </u>

11. Taxation

	2015 £000	2014 £000
Corporation tax		
Current tax on profits for the year	83	-
Adjustments in respect of previous periods	(81)	-
	<u> </u>	<u> </u>
Total current tax	<u> 2 </u>	<u> - </u>
Deferred tax		
Origination and reversal of timing differences	(20)	(144)
Adjustments in respect of prior years	(1)	88
Effect of changes in tax rates	5	10
	<u> </u>	<u> </u>
Total deferred tax	<u> (16) </u>	<u> (46) </u>
	<u> </u>	<u> </u>
Taxation on loss/profit on ordinary activities	<u> (14) </u>	<u> (46) </u>

WERNER UK SALES & DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - *lower than*) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below:

	2015 £000	2014 £000
(Loss)/profit on ordinary activities before tax	328	1,863
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	66	401
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	25	2
Adjustments in respect of prior periods	(83)	(87)
Group relief	(27)	(388)
Tax rate changes	5	-
Movement in short term timing differences	-	26
Total tax charge for the year	(14)	(46)

WERNER UK SALES & DISTRIBUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

12. Tangible fixed assets

	Plant, Equipment & Motor Vehicles £000
Cost or valuation	
At 1 January 2015	1,053
Additions	36
Transfers intra group	(486)
	<hr/>
At 31 December 2015	603
	<hr/>
Depreciation	
At 1 January 2015	429
Charge owned for the period	60
Impairment charge	114
	<hr/>
At 31 December 2015	603
	<hr/>
At 31 December 2015	<hr/>
	<hr/>
At 31 December 2014	624
	<hr/> <hr/>

13. Debtors

	2015 £000	2014 £000
Trade debtors	5,619	7,265
Amounts owed by group undertakings	17,101	11,053
Other debtors	124	861
Prepayments and accrued income	151	145
Deferred taxation	44	28
	<hr/>	<hr/>
	23,039	19,352
	<hr/> <hr/>	<hr/> <hr/>

WERNER UK SALES & DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

14. Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	715	759
Amounts owed to group undertakings	12,825	10,556
Corporation tax	101	81
Taxation and social security	13	106
Accruals and deferred income	622	1,132
	<u>14,276</u>	<u>12,634</u>

15. Financial instruments

	2015 £000	2014 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	25,183	19,545
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(14,935)</u>	<u>(11,315)</u>

Financial assets measured at amortised cost comprise cash; trade debtors; amounts owed by group undertakings; and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and amounts owed by group undertakings.

WERNER UK SALES & DISTRIBUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. Deferred taxation

	Deferred tax £000
At 1 January 2015	28
Credited to the Profit or loss	16
At 31 December 2015	44

The deferred tax asset is made up as follows:

	2015 £000	2014 £000
Accelerated capital allowances	39	20
Adjustments with respect to prior years	5	8
	44	28

17 Provisions

	Dilapidation Provision £000
Charged to the profit or loss	1,000
At 31 December 2015	1,000

The provision pertains to payments for dilapidations on leased property on exit from the lease. The amount has been settled post year end, and there are no uncertainties over the amount provided.

WERNER UK SALES & DISTRIBUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

18. Share capital

	2015 £000	2014 £000
Allotted, called up and fully paid		
2,224,240 Allotted, called up and fully paid shares of £1 each	2,224	2,224

19. Reserves

Share premium

The share premium account contains the amount received by the company for equity in excess of its market value.

Profit and loss account

The Profit & loss account comprises of distributable reserves less any dividends paid.

20. Prior year adjustment

In preparing the financial statements for the year-ended 31 December 2015, it was identified that a material transaction had been omitted from the financial statements for the year-ended 31 December 2014. In July 2015, the Company sold intellectual property and customer relationships intangibles to a fellow subsidiary company of Werner Worldwide Holding Co. LP for consideration of £538,000.

However, this transaction was not recorded in the financial statements for that year. The comparatives for the year to 31 December 2014 have been restated to reflect this transaction. This has resulted in an increase in profit before tax of £538,000 and an increase in intercompany receivables of £538,000. Brought forward retained earnings at 1 January 2015 have also increased by £538,000.

	2014 £000
Profit per signed accounts	1,371
Sale of intellectual property	538
Restated profit for 2014	1,909

WERNER UK SALES & DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

21. Pension commitments

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately from those of the company in funds under the control of trustees.

The pension charge for the year was £28,000 (2014: £57,000). The outstanding balances at year end was £3,596 (2014: £12,346).

22. Commitments under operating leases

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £000	2014 £000
Land & Buildings		
Not later than 1 year	390	323
Later than 1 year and not later than 5 years	1,558	1,711
Later than 5 years	1,818	791
Total	3,766	2,825
Other leases		
Not later than 1 year	17	39
Later than 1 year and not later than 5 years	18	10
Later than 5 years	-	-
Total	35	49
All leases		
Not later than 1 year	407	362
Later than 1 year and not later than 5 years	1,576	1,721
Later than 5 years	1,818	791
Total	3,801	2,874

WERNER UK SALES & DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

23. Ultimate parent company

The company is a wholly owned subsidiary of Werner Access Products UK Holdings Limited, a company registered in England and Wales, which is the smallest group of which the company is a member. Copies of Consolidated Accounts can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The ultimate holding and controlling company of Werner Access Products UK Holdings Limited is Werner Worldwide Holding Co., LP a company registered in the Cayman Islands, which is the parent of the largest group of which the company is a member.

The company has taken advantage of the exemption conferred by FRS 102, not to disclose transactions with members of the group headed by Werner Worldwide Holding Co., LP on grounds that 100% of the voting rights of the company are controlled within that group and the company is included in those consolidated financial statements.

WERNER UK SALES & DISTRIBUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

24. Transition to FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 January 2014

	Note	£000
Equity at 1 January 2014 under previous UK GAAP		5,829
Equity shareholders funds at 1 January 2014 under FRS 102		5,829

Reconciliation of equity at 31 December 2014

	Note	£000
Equity at 31 December 2014 under previous UK GAAP		7,200
Prior year misstatement		538
Equity shareholders funds at 31 December 2014 under FRS 102		7,738

Reconciliation of profit and loss account for the year ended 31 December 2014

	£000
Profit for the year under UK GAAP	1,371
Prior year misstatement	538
Profit for the year ended 31 December 2014 under FRS 102	1,909

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 In preparing the financial statements for the year-ended 31 December 2015, it was identified that a material transaction had been omitted from the financial statements for the year-ended 31 December 2014. In July 2015, the Company sold intellectual property and customer relationships intangibles to a fellow subsidiary company of Werner Worldwide Holding Co. LP for consideration of £538,000. However, this transaction was not recorded in the financial statements for that year. The comparatives for the year to 31 December 2014 have been restated to reflect this transaction. This has resulted in an increase in profit before tax of £538,000 and an increase in intercompany receivables of £538,000. Brought forward retained earnings at 1 January 2015 have also increased by £538,000.