

**ABT PRODUCTS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**



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**ABT PRODUCTS LIMITED**

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**COMPANY INFORMATION**

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**Directors**

M Hignett  
T Morris

**Registered number**

01021755

**Registered office**

Ashburton Industrial Estate  
Ross-on-Wye  
Herefordshire  
HR9 7BW

**Independent auditors**

Randall & Payne LLP  
Shurdington Road  
Cheltenham  
Gloucestershire  
GL51 4GA

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**ABT PRODUCTS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

**Review of the business**

Customer demand remained consistent with prior years. However, this was a challenging year for the Company regarding the management of resources and the organisation of work.

The Company entered the year with an identified need to improve production management. The Directors of the business addressed the situation by providing interim production management whilst developing a new production management structure through Q2 and Q3.

Revenues continue to be generated by a combination of:

- sub-contract manufacturing of cabs, chassis, roll bars and complete machines for UK and Global OEM's.
- autophoretic surface treatment of metal fabrications and automotive components.
- and the design, manufacture, rental and sale of the Company's own product – Loadmac Truck Mounted Forklifts.

**Principal risks and uncertainties**

The availability of experienced management and skilled operators, as generally acknowledged by peer businesses, if left unaddressed is a risk to the Company achieving its maximum potential.

The Company waited to see the extent of rising factory and material costs post Brexit. Informing sub-con customers that these cost increases would be passed on to them in Q1 2017 has created an uncertain future with some of the Company's sub-contract customers.

**Development and performance**

An effective structure was implemented to manage production and continues to evolve in 2017 with the addition of managers from similar industries who have experience in world class manufacturing.

A key activity in the second half of the year was the development of Loadmac sales channels in the UK.

The Company also won a major body of automotive work, for a minimum of 5 years, that utilises the capacity of its surface treatment plant.

The Company has taken steps to create additional manufacturing capacity with a satellite fabrication operation in a traditional manufacturing area of the West Midlands, where there is a high concentration of suitably skilled workers.

A combination of FX driven cost increases in materials and components and a temporary reduction in productivity whilst an effective production management team was developed, is reflected in the results for the year.

**Financial key performance indicators**

Year on year sales were 9% lower and year on year profits reduced by 39%. However, given the upgrade/improvement costs of key equipment/processes during the year, the component and material price increases that the Company absorbed in Q4, and the challenge of improving production management, the Directors are pleased with the profitability and cash generation of the Company.

The year on year reduction in sales/profit was also significantly impacted by the decision early in 2016 to divert resource from the Company's own Loadmac products to ensure supply of products to the Company's sub-contract customers.

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**Future developments**

The current management structure has improved productivity and output. Performance is at a Company record high in Q1 2017.

The Company is investing in site facilities, improving process efficiency and equipment to de-skill/increase productivity of a key process.

Going forward, the Company will give preference to new sub-contract product introductions that utilise the procurement, metal preparation/fabrication and surface finishing capabilities of the Company. This type of work results in the best customer value and best return on capital for the Company.

Continued expansion of manufacturing and assembly of complex equipment will be focussed on the Company's own product, Loadmac, which has growing sales in export markets as well as introducing new products and sales channels in the home UK market.

**Research and development**

The Company continues to develop process improvements, achieving a 100% improvement in output from our surface treatment process, which will increase capacity and revenues from this operation in 2017.

The Company's Loadmac design and prototype activities are focussed on customer suggested improvements and innovative new product features that provide solutions to customer's vehicle off-loading requirements.

**Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**Directors**

The directors who served during the year were:

M Hignett  
T Morris

**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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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 auditors are aware of that information.

**Auditors**

The auditors, Randall & Payne LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

26/05/17

and signed on its behalf.

  
M Hignett  
Director

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABT PRODUCTS LIMITED**

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We have audited the financial statements of ABT Products Limited for the year ended 31 December 2016, set out on pages 6 to 23. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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 Auditors' 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 Auditors**

As explained more fully in the Directors' responsibilities statement on page 2, 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 Financial Reporting Council'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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of its profit or loss 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, based on the work undertaken in the course of the audit, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

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**ABT PRODUCTS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABT PRODUCTS LIMITED  
(CONTINUED)**

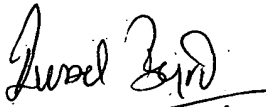
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**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Russel Byrd ACA FCCA (Senior statutory auditor)

for and on behalf of  
**Randall & Payne LLP**

Shurdington Road  
Cheltenham  
Gloucestershire  
GL51 4GA

Date: 31 May 2017



# ABT PRODUCTS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover	4	6,814,314	7,541,485
Cost of sales		(4,337,805)	(4,762,516)
<b>Gross profit</b>		<b>2,476,509</b>	<b>2,778,969</b>
Administrative expenses		(2,160,534)	(2,205,695)
<b>Operating profit</b>	5	<b>315,975</b>	<b>573,274</b>
Interest receivable and similar income	9	1,101	749
Interest payable and expenses	10	(6,219)	(6,099)
<b>Profit before tax</b>		<b>310,857</b>	<b>567,924</b>
Tax on profit	11	2,599	(53,292)
<b>Profit for the year</b>		<b>313,456</b>	<b>514,632</b>
<b>Total comprehensive income for the year</b>		<b>313,456</b>	<b>514,632</b>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

**ABT PRODUCTS LIMITED**  
**REGISTERED NUMBER: 01021755**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	12	274,460	316,085
		<u>274,460</u>	<u>316,085</u>
<b>Current assets</b>			
Stocks	13	620,708	576,862
Debtors: amounts falling due within one year	14	1,695,101	1,787,630
Cash at bank and in hand	15	994,710	620,682
		<u>3,310,519</u>	<u>2,985,174</u>
Creditors: amounts falling due within one year	16	(1,120,120)	(1,078,262)
<b>Net current assets</b>		<u>2,190,399</u>	<u>1,906,912</u>
<b>Total assets less current liabilities</b>		<u>2,464,859</u>	<u>2,222,997</u>
Creditors: amounts falling due after more than one year	17	(20,229)	(89,224)
<b>Provisions for liabilities</b>			
Deferred tax	20	(54,892)	(57,491)
		<u>(54,892)</u>	<u>(57,491)</u>
<b>Net assets</b>		<u><u>2,389,738</u></u>	<u><u>2,076,282</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	18,000	18,000
Capital redemption reserve	22	50,000	50,000
Profit and loss account	22	2,321,738	2,008,282
		<u><u>2,389,738</u></u>	<u><u>2,076,282</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

  
**M Hignett**  
 Director

The notes on pages 10 to 23 form part of these financial statements.

**ABT PRODUCTS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	18,000	50,000	2,008,282	2,076,282
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	313,456	313,456
<b>Total comprehensive income for the year</b>	-	-	313,456	313,456
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2016</b>	<b>18,000</b>	<b>50,000</b>	<b>2,321,738</b>	<b>2,389,738</b>

**ABT PRODUCTS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	18,000	50,000	1,493,650	1,561,650
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	514,632	514,632
<b>Total comprehensive income for the year</b>	-	-	514,632	514,632
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2015</b>	<b>18,000</b>	<b>50,000</b>	<b>2,008,282</b>	<b>2,076,282</b>

The notes on pages 10 to 23 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. General information**

ABT Products Limited is a company incorporated in the United Kingdom, registered at Ashburton Industrial Estate, Ross-on-Wye, Herefordshire, HR9 7BW. The company's operations is that of design and manufacture of cabs, chassis, rolls bars, and associated steel fabrications for UK and EU OEMs as well as design, development, manufacture, rental, sales and support of the company's own brand Loadmac truck mounted forklifts

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.3 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.3 Tangible fixed assets (continued)**

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.

Depreciation is provided on the following basis:

Plant and machinery	-	13% straight line basis
Motor vehicles	-	25% straight line basis
Computer equipment	-	33% straight line basis

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 in the Statement of comprehensive income.

**2.4 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.5 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.

**2.6 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.

**2.7 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 debtors and creditors, 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 debtors and creditors, 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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**2. Accounting policies (continued)****2.7 Financial instruments (continued)**

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.

**2.8 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.

**2.9 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

**2.10 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'.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.11 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.

**2.12 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.13 Leased assets: the Company as lessor**

Where assets leased to a third party give rights approximating to ownership (finance lease), the lessor recognises as a receivable an amount equal to the net investment in the lease i.e. the minimum lease payments receivable under the lease discounted at the interest rate implicit in the lease. This receivable is reduced as the lessee makes capital payments over the term of the lease.

A finance lease gives rise to two types of income: profit or loss equivalent to the profit or loss resulting from outright sale of the asset being leased, at normal selling prices, reflecting any applicable discounts, and finance income over the lease term.

**2.14 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 payment 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 Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**2.15 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.16 Interest income**

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

**2.17 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 Statement of financial position 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 Statement of financial position.

**2.18 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 charge 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 reporting 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 Statement of financial position 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 reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.19 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

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

Estimates of the useful economic lives of fixed assets have been made in order to include depreciation rates comparable with the rate at which the value of the assets should be recognised in the income statement. No other estimates of a material nature have been included in the accounts.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
*Turnover	6,814,314	7,541,485
	<u>6,814,314</u>	<u>7,541,485</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	5,273,029	5,149,389
Rest of Europe	642,258	807,576
Rest of the world	899,027	1,584,520
	<u>6,814,314</u>	<u>7,541,485</u>

# ABT PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	101,420	108,326
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	10,285	2,675
Exchange differences	90	(42)
Defined contribution pension cost	72,783	77,406
	<u>184,578</u>	<u>188,365</u>

### 6. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5,250	5,500
	<u>5,250</u>	<u>5,500</u>

### 7. Employees

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

	2016 No.	2015 No.
Directors	2	2
Direct staff	64	65
Administrative staff	18	20
	<u>84</u>	<u>87</u>

### 8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	19,536	21,967
Company contributions to defined contribution pension schemes	46,027	48,291
	<u>65,563</u>	<u>70,258</u>

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

**ABT PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**9. Interest receivable**

	2016 £	2015 £
Other interest receivable	1,101	749
	<u>1,101</u>	<u>749</u>

**10. Interest payable and similar charges**

	2016 £	2015 £
Bank interest payable	6,219	6,099
	<u>6,219</u>	<u>6,099</u>

**11. Taxation**

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	68,002
	<u>-</u>	<u>68,002</u>
<b>Total current tax</b>	<u>-</u>	<u>68,002</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,599)	(14,710)
<b>Total deferred tax</b>	<u>(2,599)</u>	<u>(14,710)</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(2,599)</u>	<u>53,292</u>

# ABT PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 11. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	310,857	567,924
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	62,171	113,585
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(212)	(1,142)
Capital allowances for year in excess of depreciation	2,599	(55,453)
Other timing differences leading to an increase (decrease) in taxation	-	(3,698)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(72,437)	-
Group relief	7,879	-
Deferred tax movement	(2,599)	-
<b>Total tax charge for the year</b>	<b>(2,599)</b>	<b>53,292</b>

# ABT PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 12. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>			
At 1 January 2016	2,266,276	135,162	2,401,438
Additions	6,032	73,500	79,532
Disposals	-	(56,254)	(56,254)
At 31 December 2016	<u>2,272,308</u>	<u>152,408</u>	<u>2,424,716</u>
<b>Depreciation</b>			
At 1 January 2016	2,003,599	81,754	2,085,353
Charge for the period on owned assets	47,965	53,455	101,420
Disposals	-	(36,517)	(36,517)
At 31 December 2016	<u>2,051,564</u>	<u>98,692</u>	<u>2,150,256</u>
<b>Net book value</b>			
At 31 December 2016	<u>220,744</u>	<u>53,716</u>	<u>274,460</u>
At 31 December 2015	<u>262,677</u>	<u>53,408</u>	<u>316,085</u>

### 13. Stocks

	2016 £	2015 £
Raw materials and consumables	620,708	576,862
	<u>620,708</u>	<u>576,862</u>

### 14. Debtors

	2016 £	2015 £
Trade debtors	1,143,572	1,283,902
Amounts owed by group undertakings	480,605	461,303
Other debtors	29,941	-
Prepayments and accrued income	40,983	42,425

# ABT PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 14. Debtors (continued)

<u>1,695,101</u>	<u>1,787,630</u>
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### 15. Cash and cash equivalents

2016	2015
£	£

Cash at bank and in hand	994,710	620,682
	<u>994,710</u>	<u>620,682</u>

### 16. Creditors: Amounts falling due within one year

2016	2015
£	£

Trade creditors	781,529	607,335
Amounts owed to group undertakings	15,637	15,637
Corporation tax	-	38,060
Other taxation and social security	71,414	154,886
Obligations under finance lease and hire purchase contracts	68,995	69,829
Other creditors	22,786	19,203
Accruals and deferred income	159,759	173,312
	<u>1,120,120</u>	<u>1,078,262</u>

# ABT PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 17. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Net obligations under finance leases and hire purchase contracts	20,229	89,224
	<u>20,229</u>	<u>89,224</u>

#### Secured loans

The company has entered into multilateral guarantees in respect of amounts due by ABT Loadmac Limited and NAM Eng Limited to HSBC Bank Plc. At 31 December 2016 the total amount of indebtedness guaranteed in this way amounted to £651,574 (2015 - £714,944).

In the event that any bank indebtedness arises it is secured by means of a charge over the parent company's freehold property.

### 18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	68,995	69,829
Between 1-2 years	20,229	89,224
	<u>89,224</u>	<u>159,053</u>

### 19. Financial instruments

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	994,710	620,682
	<u>994,710</u>	<u>620,682</u>

Financial assets measured at fair value through profit or loss comprise trade debtors, cash at hand and prepayments.



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**ABT PRODUCTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**20. Deferred taxation**

	2016 £	2015 £
At beginning of year	(57,491)	(72,200)
Charged to profit or loss	2,599	14,709
At end of year	<u>(54,892)</u>	<u>(57,491)</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(54,892)	(57,491)
	<u>(54,892)</u>	<u>(57,491)</u>

**21. Share capital**

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid 18,000 Ordinary shares of £1 each	<u>18,000</u>	<u>18,000</u>

**22. Reserves****Capital redemption reserve**

This capital redemption reserve arose following the Management Buy Out in 2001, where its own shares were purchased in order to finance the arrangement.

**Profit and loss account**

The profit and loss account is the cumulative surplus/(deficit) of income over expenditure less Corporation Tax and Dividends from the date of incorporation.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**23. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £26,756 (2015 - £29,115). There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**24. Controlling party**

The company is a 100% subsidiary undertaking of ABT Loadmac Limited. The controlling party of ABT Loadmac Limited is M J Hignett.