

Alex Reid Limited

Registered number: 01025547

Directors' report and financial statements

For the year ended 31 December 2015

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ALEX REID LIMITED

COMPANY INFORMATION

Directors

J Wittouck
N J Garthwaite
J S Roberts
Christeyns NV

Company secretary

J S Roberts

Registered number

01025547

Registered office

Rutland Street
Bradford
West Yorkshire
BD4 7EA

Trading Address

Unit 9
Ashville Way
Whetstone
Leicester
LE8 6NU

Independent auditors

Mazars LLP
Chartered Accountants & Statutory Auditor
Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

Bankers

The Royal Bank of Scotland
45-47 Bank Street
Bradford
BD1 1TS

ALEX REID LIMITED

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ALEX REID LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their strategic report for Alex Reid Limited for the year ended 31 December 2015.

Business review

The business made an operating loss of £1,512,821.

The focus of the company in 2015 has been on improving sales and service in order to be in a strong position for the future.

Trading patterns throughout the year were inconsistent, reflecting the market pressures on the independent drycleaners who represent the majority of the company's customers. The directors expect these pressures to continue in 2016.

Principal risks and uncertainties

The company supplies machines, machine servicing and supplies to the dry cleaning industry. Possible future environmental legislation means that some existing dry cleaning machines may be required to convert to clean with more environmentally friendly materials than the currently used perchloroethylene. The company supplies both machines and solvents that use alternative chemical systems and therefore the directors consider that this risk will not have a material impact on the company.


Other key business risks and uncertainties affecting the company are considered to relate to competition from both national and independent distributors, employee retention and product availability.

Financial key performance indicators

The management team use the following KPI's to measure the performance of the business: Gross Margin, Working capital, Debtor and creditor days, stock days and aged stock.

Budgets are set each year and actual performance is measured against the monthly management accounts.

This report was approved by the board on 4 May 2016 and signed on its behalf.



N J Garthwaite
Director

ALEX REID LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 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.

Directors

The directors who served during the year were:

J Wittouck

N J Garthwaite

D L Walker (resigned 10 February 2016)

J S Roberts

Christeyns NV

Future developments

The company will continue with its focus on its core activities and aims to be the partner and employer of choice.

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 auditors are 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 auditors are aware of that information.

ALEX REID LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Post balance sheet events

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

Auditors

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

This report was approved by the board on 4 May 2016 and signed on its behalf.



N J Garthwaite
Director

ALEX REID LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALEX REID LIMITED

We have audited the financial statements of Alex Reid Limited 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. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement set out 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 Auditing Practices Board's Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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

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

ALEX REID LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALEX REID 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.



John Holroyd (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

Date: 4 May 2016

ALEX REID LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Turnover	3	8,837,467	11,212,071
Cost of sales		(5,974,622)	(7,490,277)
Gross profit		2,862,845	3,721,794
Distribution costs		(768,848)	(946,853)
Administrative expenses		(3,181,447)	(2,898,281)
Exceptional administrative expenses		(425,371)	429,000
Operating (loss)/profit		(1,512,821)	305,660
Interest receivable and similar income	8	368	138
Interest payable and similar charges	9	(32,473)	(6,712)
(Loss)/profit on ordinary activities before taxation		(1,544,926)	299,086
Taxation on profit/(loss) on ordinary activities	10	261,764	(35,000)
(Loss)/profit for the financial year		(1,283,162)	264,086
Other comprehensive income for the year			
Total comprehensive income for the year		(1,283,162)	264,086

ALEX REID LIMITED

Registered number: 01025547

BALANCE SHEET**AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	12	208,623	207,156
Tangible assets	13	270,739	279,240
		<u>479,362</u>	<u>486,396</u>
Current assets			
Stocks	14	1,233,413	1,601,456
Debtors	15	2,028,577	3,073,797
Cash at bank and in hand	16	26,017	137,678
		<u>3,288,007</u>	<u>4,812,931</u>
Creditors: Amounts falling due within one year	17	(2,157,740)	(3,319,807)
Net current assets		<u>1,130,267</u>	<u>1,493,124</u>
Total assets less current liabilities		<u>1,609,629</u>	<u>1,979,520</u>
Creditors: Amounts falling due after more than one year	18	(1,170,256)	-
Provisions for liabilities			
Other provisions	21	(48,000)	(304,985)
		<u>(48,000)</u>	<u>(304,985)</u>
Net assets		<u><u>391,373</u></u>	<u><u>1,674,535</u></u>
Capital and reserves			
Called up share capital	23	191,803	191,803
Capital redemption reserve	22	63,000	63,000
Profit and loss account	22	136,570	1,419,732
		<u>391,373</u>	<u>1,674,535</u>

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

4 May 2016



N J Garthwaite
Director

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

ALEX REID LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2015

	Share capital £	Capital redemption reserve £	Retained earnings £	Total equity £
At 1 January 2015	191,803	63,000	1,419,732	1,674,535
Comprehensive income for the year				
Loss for the year	-	-	(1,283,162)	(1,283,162)
At 31 December 2015	<u>191,803</u>	<u>63,000</u>	<u>136,570</u>	<u>391,373</u>

ALEX REID LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2014

	Share capital £	Capital redemption reserve £	Retained earnings £	Total equity £
At 1 January 2014	191,803	63,000	1,155,646	1,410,449
Comprehensive income for the year				
Profit for the year	-	-	264,086	264,086
At 31 December 2014	<u>191,803</u>	<u>63,000</u>	<u>1,419,732</u>	<u>1,674,535</u>

ALEX REID LIMITED

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

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical costs 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 first-time adoption of FRS 102 is given in note 28.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 1).

As these are the first financial statements that conform to FRS 102, the Company has taken advantage of the following exemptions in accordance with Section 35 Transition to this FRS:

- (i) The requirements to determine whether an arrangement existing at the date of transition contains a lease on the basis of facts and circumstances existing at that date, rather than when the arrangement was entered into, as permitted by Section 35 paragraph 35.10 (k).
- (ii) The requirements to apply paragraphs 20.15A and 20.25A to lease incentives provided the term of the lease commenced before the date of transition, as permitted by Section 35 paragraph 35.10 (p).

The following principal accounting policies have been applied:

1.2 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 paragraph 33.7.

This information is included in the consolidated financial statements of Algimo NV as at 31 December 2015 and these financial statements may be obtained from Algimo NV, Coupure 10, 9000, Gent, Belgium.

1.3 Going concern

The company is dependent on the support from its ultimate holding company, Christeyns UK Ltd, for its day to day working capital requirements. The directors of Christeyns UK Ltd have confirmed that this support will be maintained for a period of at least twelve months from the date of approval of these financial statements.

ALEX REID LIMITED

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

1. Accounting policies (continued)

1.4 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

1.6 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.

ALEX REID LIMITED

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

1. Accounting policies (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. The estimated useful lives range as follows:

Depreciation is provided on the following bases:

Plant & machinery	-	50% straight line
Fixtures & fittings	-	28% straight line
Other fixed assets	-	50% straight line

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.

1.7 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 balance sheet 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.

1.8 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.

1.9 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.

ALEX REID LIMITED

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

1. Accounting policies (continued)

1.10 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.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) at fair value with changes recognised in the Profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii) at cost less impairment for all other investments.

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 impairment loss is recognised in the Profit and loss account.

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, 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.

1.11 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.

ALEX REID LIMITED

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

1. Accounting policies (continued)

1.12 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 Profit and loss account 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 Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

1.13 Finance costs

Finance costs are charged to the Profit and loss account 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.

1.14 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 payments obligations.

The contributions are recognised as an expense in the Profit and loss account 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.

1.15 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

ALEX REID LIMITED

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

1. Accounting policies (continued)

1.16 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 Profit and loss account 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.

1.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, 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 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.18 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

1.19 Legal form and country of incorporation

The legal form of the company is that of a company limited by shares.

The company is incorporated in England and Wales.

ALEX REID LIMITED

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

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

The critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability and where applicable, the ability of the asset to be operated as planned. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(ii) Estimating value in use

Where an indication of impairment exists, the directors have carried out an impairment review to determine the recoverable amount of the asset, which is the higher of fair value less cost to sell and value in use. The value in use calculation has required the directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and determine a suitable discount rate in order to calculate present value.

(iii) Recoverability of receivables

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

(iv) Determining residual values and useful economic lives of tangible and intangible assets

The Company depreciates tangible assets, and amortises intangible assets, over their estimated useful lives. The estimation of the useful lives of tangible assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied. The estimation of useful lives of intangible assets is based on any contractual or legal rights associated with the asset, or the period in which the Company expects to use the asset if shorter. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is also applied, when determining the residual values for fixed assets. When determining the residual value, the directors have assessed the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful life. Where possible this is done with reference to external market prices.

ALEX REID LIMITED

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

3. Analysis of turnover

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	8,528,707	11,212,071
Rest of the world	308,760	-
	<u>8,837,467</u>	<u>11,212,071</u>

4. Operating (loss)/profit

The operating profit is stated after charging/(crediting):

	2015 £	2014 £
Research & development charged as an expense	197	-
Depreciation of tangible fixed assets	125,651	13,943
Amortisation of intangible assets, including goodwill	61,332	-
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	23,263	24,000
Exchange differences	(88,609)	(141,932)
Defined contribution pension cost	<u>42,762</u>	<u>27,121</u>

5. Auditors' remuneration

	2015 £	2014 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>23,263</u>	<u>24,000</u>
	<u>23,263</u>	<u>24,000</u>
	<u>-</u>	<u>-</u>

ALEX REID LIMITED

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

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	1,956,916	2,108,414
Social security costs	58,989	-
Cost of defined contribution scheme	42,762	27,121
	<u>2,058,667</u>	<u>2,135,535</u>

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

	2015 No.	2014 No.
Manufacturing	<u>64</u>	<u>65</u>

7. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	98,694	139,640
Company contributions to defined contribution pension schemes	3,168	690
Compensation for loss of office	-	30,000
	<u>101,862</u>	<u>170,330</u>

During the year retirement benefits were accruing to 1 director (2014 - 2) in respect of defined contribution pension schemes.

8. Interest receivable

	2015 £	2014 £
Other interest receivable	<u>368</u>	<u>138</u>
	<u>368</u>	<u>138</u>

9. Interest payable and similar charges

	2015 £	2014 £
Bank interest payable	13,205	6,712
Loans from group undertakings	19,268	-
	<u>32,473</u>	<u>6,712</u>

ALEX REID LIMITED

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

10. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	(249,262)	35,000
Total current tax	<u>(249,262)</u>	<u>35,000</u>
Deferred tax		
Origination and reversal of timing differences	(12,502)	-
Total deferred tax	<u>(12,502)</u>	<u>-</u>
Taxation on (loss)/profit on ordinary activities	<u>(261,764)</u>	<u>35,000</u>

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, 20.25% (2014 - 21.5%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	(1,544,926)	299,086
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	(312,848)	64,303
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,389	(29,303)
Capital allowances for year in excess of depreciation	637	-
Receipt for Group Losses	(257,858)	-
Group relief	302,916	-
Total tax charge for the year	<u>(261,764)</u>	<u>35,000</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

ALEX REID LIMITED

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

11. Exceptional items

	2015 £	2014 £
Restructuring costs	425,371	-
Release of vacant property provision	-	(429,000)
	<u>425,371</u>	<u>(429,000)</u>

12. Intangible assets

	Software £
Cost	
At 1 January 2015	405,580
Additions	62,800
Disposals	(160,515)
At 31 December 2015	<u>307,865</u>
Amortisation	
At 1 January 2015	198,425
Charge for the year	61,332
On disposals	(160,515)
At 31 December 2015	<u>99,242</u>
Net book value	
At 31 December 2015	<u>208,623</u>
At 31 December 2014	<u>207,156</u>

ALEX REID LIMITED

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

13. Tangible fixed assets

	Plant & machinery £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 January 2015	161,616	676,430	838,046
Additions	102,001	19,047	121,048
Disposals	-	(346,799)	(346,799)
At 31 December 2015	263,617	348,678	612,295
Depreciation			
At 1 January 2015	93,036	465,770	558,806
Charge owned for the period	51,533	74,118	125,651
Disposals	-	(342,897)	(342,897)
At 31 December 2015	144,569	196,991	341,560
At 31 December 2015	119,048	151,687	270,735
At 31 December 2014	68,580	210,660	279,240

ALEX REID LIMITED

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

14. Stocks

	2015 £	2014 £
Raw materials and consumables	1,112,575	1,599,397
Work in progress (goods to be sold)	13,749	-
Finished goods and goods for resale	107,089	2,059
	<u>1,233,413</u>	<u>1,601,456</u>

Anprovision of £194,000 (2014: £73,146) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

15. Debtors

	2015 £	2014 £
Due after more than one year		
Other debtors	6,476	6,476
	<u>6,476</u>	<u>6,476</u>
Due within one year		
Trade debtors	1,699,130	2,840,469
Amounts owed by group undertakings	5,215	-
Other debtors	1,529	1,445
Prepayments and accrued income	290,706	206,876
Tax recoverable	1,488	7,000
Deferred taxation	24,033	11,531
	<u>2,028,577</u>	<u>3,073,797</u>

16. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	26,017	137,678
	<u>26,017</u>	<u>137,678</u>

ALEX REID LIMITED

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

17. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	867,016	1,162,293
Amounts owed to group undertakings	436,295	1,330,125
Taxation and social security	229,753	215,669
Proceeds of invoice discounting	246,217	492,603
Other creditors	4,591	3,561
Accruals and deferred income	373,868	115,556
	<u>2,157,740</u>	<u>3,319,807</u>

The proceeds of invoice discounting are secured against the trade debtors of the company.

The bank facilities are subject to a secure unlimited guarantee from the immediate parent.

18. Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to group undertakings	1,170,256	-
	<u>1,170,256</u>	<u>-</u>

19. Financial instruments

	2015 £	2014 £
Financial assets	1,705,874	3,048,790
Financial liabilities	(2,478,158)	(2,495,979)

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

Financial Liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings and other creditors.

ALEX REID LIMITED

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

20. Deferred taxation

	Deferred tax £
At 1 January 2015	11,531
Charged to the profit or loss	12,502
At 31 December 2015	24,033

The deferred tax asset is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	23,786	11,531
Short term timing differences	247	-
	24,033	11,531

21. Provisions

	Other provision £
At 1 January 2015	304,985
Utilised in year	(256,985)
At 31 December 2015	48,000

The provision includes onerous lease commitments and dilapidations for leases which expire in 2020, with a break clause in 2015.

22. Reserves

Capital redemption reserve

This reserve represents previous share repurchases.

Profit & loss account

This reserve represents cumulative profits and losses.

ALEX REID LIMITED

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

23. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
191,800 Ordinary shares shares of £1 each	191,800	191,800
3 Ordinary A shares shares of £1 each	3	3
	<u>191,803</u>	<u>191,803</u>

24. 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 £42,762 (2014 - £27,121). Contributions totalling £1,372 (2014 - £3,561) were payable to the fund at the balance sheet date.

25. Commitments under operating leases

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

	2015 £	2014 £
Not later than 1 year	131,325	199,000
Later than 1 year and not later than 5 years	236,546	177,000
Total	<u>367,871</u>	<u>376,000</u>

26. Related party transactions

The company has taken advantage of the exemption available in section 33 of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" related party disclosures from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company. The consolidated financial statements of Algimo NV can be obtained from Algimo NV, Coupure 10, 9000, Gent, Belgium.

27. Controlling party

The company's immediate parent company is Christeyns UK Limited, a company registered in England and Wales.

The company's ultimate parent company is Algimo NV, a company registered in Belgium.

ALEX REID LIMITED

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

28. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not materially impacted on equity or profit or loss.