

REGISTRAR OF COMPANIES

Registration number: 1055419

Iracroft Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015



Iracroft Limited

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Iracroft Limited

Company Information

Directors	M L Elliott A M Simmonds A H Webb N D Parker W K Moore K Mullen
Company secretary	A H Webb
Registered office	Blandford Heights Industrial Estate Shaftesbury Lane Blandford Forum Dorset DT11 7TE
Bankers	Barclays Bank Plc
Auditors	PKF Francis Clark Chartered Accountants & Registered Auditors Towngate House 2-8 Parkstone Road Poole Dorset BH15 2PW

Iracroft Limited

Strategic Report for the Year Ended 31 December 2015

The Directors present their strategic report for the year ended 31 December 2015.

Principal activity

The principal activity of the company is engineering, producing manipulated and fabricated tubular steel products for a wide range of applications on construction and industrial equipment.

Fair review of the business

The company manufactures and supplies manipulated and fabricated products primarily to market leading manufacturers in the construction and specialist equipment sectors. Our customer base provide a global presence and our products are used in a range of applications and markets.

Significant changes and volatility in the market requirements during the year presented a number of challenges to the business which are reflected in the financial results for the year. Restructuring of the business combined with the securing of new business has positioned the company for a significantly improved result in 2016.

We continue to invest in our employees with training and development and have a number of very positive initiatives taking place to improve the business and secure our future.

Development and performance of the business

The Company's key financial and other performance indicators during the year were as follows:

	Unit	2015	2014
Turnover	£	14,312,680	15,499,684
Profit/(Loss) before tax	£	(371,614)	142,519
Net assets at year end (excluding pension liability)	£	4,345,733	4,661,615

Principal risks and uncertainties

The company supplies to national and global companies operating primarily in the construction and industrial sectors. Lack of confidence in the construction sector in many geographic regions, and political and exchange rate uncertainty surrounding the UK's membership of the European Union are the major contributors to the short to medium term risks and uncertainties for the business.

Approved by the Board on 10 June 2016 and signed on its behalf by:

.....
A H Webb
Director

Iracroft 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 of the Company

The directors who held office during the year were as follows:

M L Elliott

J R Harrison (retired 2 April 2015)

P Lewis (resigned 11 May 2015)

A M Simmonds

A H Webb

N D Parker

W K Moore (appointed 1 June 2015)

K Mullen (appointed 1 December 2015)

Future developments

The company continues to invest in the employees and infrastructure of the business to increase the quality and service levels provided. The planned capital expenditure builds on the strong production facility to meet the future challenges and opportunities.

Research and development

The company will continue its policy of investment in research and development in order to retain a competitive position in the market.

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of PKF Francis Clark as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 10 June 2016 and signed on its behalf by:

.....
A H Webb
Director

Iracroft Limited

Statement of Directors' Responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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.

Iracroft Limited

Independent Auditor's Report

We have audited the financial statements of Iracroft Limited for the year ended 31 December 2015, set out on pages 7 to 27. 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).

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 Statement of Directors' Responsibilities (set out on page 4), 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 (APB's) Ethical Standards for Auditors to the financial statements.

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 Annual 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 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 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.

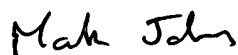
Iracroft Limited

Independent Auditor's Report

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



Mark Johns ACA FCCA (Senior Statutory Auditor)
For and on behalf of PKF Francis Clark, Statutory Auditor

Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

14 June 2016

Iracroft Limited

Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	14,312,680	15,499,684
Cost of sales		<u>(6,054,613)</u>	<u>(6,411,908)</u>
Gross profit		8,258,067	9,087,776
Administrative expenses		<u>(8,597,726)</u>	<u>(8,927,655)</u>
Operating (loss)/profit	5	<u>(339,659)</u>	<u>160,121</u>
Other interest receivable and similar income	6	1,800	3,713
Interest payable and similar charges	7	<u>(33,755)</u>	<u>(21,315)</u>
		<u>(31,955)</u>	<u>(17,602)</u>
(Loss)/profit before tax		(371,614)	142,519
Taxation	11	<u>55,732</u>	<u>(41,813)</u>
(Loss)/profit for the financial year		<u><u>(315,882)</u></u>	<u><u>100,706</u></u>

The above results were derived from continuing operations.

The notes on pages 12 to 27 form an integral part of these financial statements.

Iracroft Limited

Statement of Comprehensive Income for the Year Ended 31 December 2015

	Note	2015 £	2014 £
(Loss)/profit for the year		(315,882)	100,706
Remeasurement gain/loss on defined benefit pension schemes		<u>974,400</u>	<u>(974,400)</u>
Total comprehensive income for the year		<u><u>658,518</u></u>	<u><u>(873,694)</u></u>

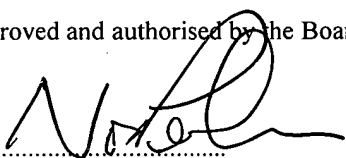
The notes on pages 12 to 27 form an integral part of these financial statements.

Iracroft Limited

(Registration number: 1055419)
Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	12	4,215,832	4,313,819
Current assets			
Stocks	13	999,702	1,192,702
Debtors	14	1,805,804	2,478,477
Cash at bank and in hand		<u>33,057</u>	<u>137,467</u>
		2,838,563	3,808,646
Creditors: Amounts falling due within one year	16	<u>(1,781,050)</u>	<u>(2,328,489)</u>
Net current assets		<u>1,057,513</u>	<u>1,480,157</u>
Total assets less current liabilities		5,273,345	5,793,976
Creditors: Amounts falling due after more than one year	16	(877,840)	(1,026,857)
Provisions for liabilities	17	<u>(49,772)</u>	<u>(105,504)</u>
Net assets excluding pension asset/(liability)		4,345,733	4,661,615
Net pension liability	18	<u>-</u>	<u>(974,400)</u>
Net assets		<u><u>4,345,733</u></u>	<u><u>3,687,215</u></u>
Capital and reserves			
Called up share capital	19	90	90
Other reserves		243,761	243,761
Profit and loss account		<u>4,101,882</u>	<u>3,443,364</u>
Total equity		<u><u>4,345,733</u></u>	<u><u>3,687,215</u></u>

Approved and authorised by the Board on 10/6/16 and signed on its behalf by:



N D Parker
Director

The notes on pages 12 to 27 form an integral part of these financial statements.

Iracroft Limited

Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 January 2015	90	243,761	3,443,364	3,687,215
Loss for the year	-	-	(315,882)	(315,882)
Other comprehensive income	-	-	974,400	974,400
Total comprehensive income	-	-	658,518	658,518
At 31 December 2015	90	243,761	4,101,882	4,345,733
	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 January 2014	90	243,761	4,317,058	4,560,909
Profit for the year	-	-	100,706	100,706
Other comprehensive income	-	-	(974,400)	(974,400)
Total comprehensive income	-	-	(873,694)	(873,694)
At 31 December 2014	90	243,761	3,443,364	3,687,215

The notes on pages 12 to 27 form an integral part of these financial statements.

Iracroft Limited

Statement of Cash Flows for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
(Loss)/profit for the year		(315,882)	100,706
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	433,327	445,323
Profit on disposal of tangible assets	4	-	(3,000)
Finance income	6	(1,800)	(3,713)
Finance costs	7	33,755	21,315
Income tax expense	11	(55,732)	41,813
		93,668	602,444
Working capital adjustments			
Decrease/(increase) in stocks	13	193,000	(96,855)
Decrease/(increase) in trade debtors	14	672,673	(562,495)
(Decrease)/increase in trade creditors	16	(604,192)	102,055
Cash generated from operations		355,149	45,149
Income taxes paid	11	-	(52,611)
Net cash flow from operating activities		355,149	(7,462)
Cash flows from investing activities			
Interest received	6	1,800	3,713
Acquisitions of tangible assets		(335,340)	(507,153)
Proceeds from sale of tangible assets		-	3,000
Net cash flows from investing activities		(333,540)	(500,440)
Cash flows from financing activities			
Interest paid	7	(33,755)	(21,315)
Repayment of bank borrowing		(207,841)	35,218
Proceeds from other borrowing draw downs		161,938	-
Payments to finance lease creditors		(46,361)	-
Net cash flows from financing activities		(126,019)	13,903
Net decrease in cash and cash equivalents		(104,410)	(493,999)
Cash and cash equivalents at 1 January		137,467	631,466
Cash and cash equivalents at 31 December		33,057	137,467

The notes on pages 12 to 27 form an integral part of these financial statements.

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

1 General information

The company is a private company limited by share capital incorporated in England.

The address of its registered office is:
Blandford Heights Industrial Estate
Shaftesbury Lane
Blandford Forum
Dorset
DT11 7TE

These financial statements were authorised for issue by the Board on 10 June 2016.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

It is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Company's activities.

Foreign currency transactions and balances

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rate at the balance sheet date and the exchange differences are included in the profit and loss account.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Motor vehicles	30% reducing balance basis
Freehold property	50 years straight line basis
Plant and machinery	3-10 years straight line
Furniture and fittings	5 year/15% straight line basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on the selling price less anticipated costs to completion and selling costs.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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Notes to the Financial Statements for the Year Ended 31 December 2015

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Defined benefit pension obligation

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Research and development

Research and development expenditure is written off as incurred.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2015 £	2014 £
Sale of goods	<u>14,312,680</u>	<u>15,499,684</u>

The analysis of the company's turnover for the year by market is as follows:

	2015 £	2014 £
UK	12,581,797	13,600,752
Europe	1,673,291	1,779,938
Rest of world	<u>57,592</u>	<u>118,994</u>
	<u>14,312,680</u>	<u>15,499,684</u>

4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2015 £	2014 £
Gain (loss) on disposal of property, plant and equipment	<u>-</u>	<u>3,000</u>

5 Operating loss

Arrived at after charging/(crediting)

	2015 £	2014 £
Depreciation expense	433,327	445,323
Profit on disposal of property, plant and equipment	<u>-</u>	<u>(3,000)</u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

6 Other interest receivable and similar income

	2015 £	2014 £
Interest income on bank deposits	<u>1,800</u>	<u>3,713</u>

7 Interest payable and similar charges

	2015 £	2014 £
Interest on bank overdrafts and borrowings	31,942	21,315
Interest on obligations under finance leases and hire purchase contracts	<u>1,813</u>	<u>-</u>
	<u>33,755</u>	<u>21,315</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2015 £	2014 £
Wages and salaries	5,404,979	5,810,649
Social security costs	504,962	549,331
Pension costs, defined contribution scheme	283,426	258,239
Pension costs, defined benefit scheme	295,833	293,616
Redundancy costs	<u>63,043</u>	<u>-</u>
	<u>6,552,243</u>	<u>6,911,835</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2015 No.	2014 No.
Production	170	173
Administration and support	<u>48</u>	<u>45</u>
	<u>218</u>	<u>218</u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015	2014
	£	£
Remuneration	<u>625,208</u>	<u>630,553</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2015	2014
	No.	No.
Accruing benefits under defined benefit pension scheme	<u>4</u>	<u>5</u>

In respect of the highest paid director:

	2015	2014
	£	£
Remuneration	166,080	157,944
Company contributions to money purchase pension schemes	7,775	39,800
Defined benefit accrued pension entitlement at the end of the period	<u>27,007</u>	<u>23,279</u>

10 Auditors' remuneration

	2015	2014
	£	£
Audit of the financial statements	<u>13,950</u>	<u>12,900</u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

11 Taxation

Tax charged/(credited) in the income statement

	2015 £	2014 £
Current taxation		
UK corporation tax	-	(5,166)
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(55,732)</u>	<u>46,979</u>
Tax (receipt)/expense in the income statement	<u><u>(55,732)</u></u>	<u><u>41,813</u></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2014 - the same as the standard rate of corporation tax in the UK) of 20% (2014 - 20%).

The differences are reconciled below:

	2015 £	2014 £
(Loss)/profit before tax	<u>(371,614)</u>	<u>142,519</u>
Corporation tax at standard rate	(74,323)	28,504
Effect of expense not deductible in determining taxable profit (tax loss)	(223)	(191)
Tax increase (decrease) from effect of capital allowances and depreciation	18,365	14,148
Tax increase (decrease) from other short-term timing differences	<u>449</u>	<u>(648)</u>
Total tax (credit)/charge	<u><u>(55,732)</u></u>	<u><u>41,813</u></u>

Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
2015		
Difference between accumulated depreciation and amortisation and capital allowances	-	124,981
Tax losses	<u>75,209</u>	<u>-</u>
	<u><u>75,209</u></u>	<u><u>124,981</u></u>
2014		Liability £
Difference between accumulated depreciation and amortisation and capital allowances		105,504
Tax losses		<u>-</u>
		<u><u>105,504</u></u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

12 Tangible assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 January 2015	3,737,631	576,008	104,552	4,523,119	8,941,310
Additions	56,986	22,884	-	255,470	335,340
Disposals	-	(45,149)	-	(461,606)	(506,755)
At 31 December 2015	<u>3,794,617</u>	<u>553,743</u>	<u>104,552</u>	<u>4,316,983</u>	<u>8,769,895</u>
Depreciation					
At 1 January 2015	749,467	487,667	54,578	3,335,779	4,627,491
Charge for the year	54,952	35,805	14,992	327,578	433,327
Eliminated on disposal	-	(45,149)	-	(461,606)	(506,755)
At 31 December 2015	<u>804,419</u>	<u>478,323</u>	<u>69,570</u>	<u>3,201,751</u>	<u>4,554,063</u>
Carrying amount					
At 31 December 2015	<u>2,990,198</u>	<u>75,420</u>	<u>34,982</u>	<u>1,115,232</u>	<u>4,215,832</u>
At 31 December 2014	<u>2,988,164</u>	<u>88,341</u>	<u>49,974</u>	<u>1,187,340</u>	<u>4,313,819</u>

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2015 £	2014 £
Plant and machinery	<u>164,291</u>	<u>-</u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

13 Stocks

	2015 £	2014 £
Raw materials and consumables	617,938	488,336
Finished goods and goods for resale	381,764	704,366
	<u>999,702</u>	<u>1,192,702</u>

14 Debtors

	Note	2015 £	2014 £
Trade debtors		1,642,336	2,315,713
Other debtors		34,693	30,255
Prepayments		123,609	127,343
Income tax asset	11	<u>5,166</u>	<u>5,166</u>
Total current trade and other debtors		<u>1,805,804</u>	<u>2,478,477</u>

15 Cash and cash equivalents

	2015 £	2014 £
Cash on hand	75	48
Cash at bank	<u>32,982</u>	<u>137,419</u>
	<u>33,057</u>	<u>137,467</u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

16 Creditors

	Note	2015 £	2014 £
Due within one year			
Loans and borrowings		271,535	214,782
Trade creditors		928,305	1,354,776
Social security and other taxes		344,698	463,037
Outstanding defined contribution pension costs		12,678	14,924
Accrued expenses		223,834	280,970
		<u>1,781,050</u>	<u>2,328,489</u>
Due after one year			
Loans and borrowings		<u>877,840</u>	<u>1,026,857</u>

17 Deferred tax and other provisions

	Deferred tax £
At 1 January 2015	105,504
Increase (decrease) in existing provisions	<u>(55,732)</u>
At 31 December 2015	<u>49,772</u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £283,426 (2014 - £258,239).

Contributions totalling £12,678 (2014 - £14,924) were payable to the scheme at the end of the year and are included in creditors.

Defined benefit pension schemes

The Iracroft Limited Life Assurance and Pension Scheme

The company previously operated a pension scheme providing benefits based on final pensionable pay, this scheme closed to further accrual with effect from 31 July 2009. Under the scheme, the employees are entitled to retirement benefits based upon 1/60th of their final salary on reaching retirement age of 65. No other post-retirement benefits are provided. The scheme was a funded scheme.

The company is continuing to make an additional contribution of £20,850 per month.

The date of the most recent comprehensive actuarial valuation was 05 April 2015. The most recently completed actuarial valuation as at 5 April 2015 showed a deficit of £2,236,000. No contributions are payable for the year commencing 1 January 2016. Thereafter, contributions of £160,000 per annum, increasing by 3% per annum, are payable in monthly instalments for a period of 6 years and 3 months from 1 January 2017 to 31 March 2023 in accordance with the actuarial valuation. The company has agreed with the trustees that it will pay £90,000 p.a. in respect of expenses and £20,000 p.a. in respect of the independent financial adviser fee. The fees in respect of the independent adviser are being paid directly in practice.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £283,426 (2014 - £258,239).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was £Nil (2014 - £-).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2015	2014
	£	£
Fair value of scheme assets	17,782,000	17,805,000
Present value of defined benefit obligation	(17,692,000)	(19,023,000)
	90,000	(1,218,000)
Other amounts not recognised in the statement of financial position	(90,000)	243,600
Defined benefit pension scheme deficit	-	(974,400)

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2015
	£
Benefits paid and expenses	
Present value at start of year	19,023,000
Interest cost	638,000
Actuarial gains and losses	(1,423,000)
Benefits paid and expenses	(589,000)
Expenses	43,000
Present value at end of year	<u>17,692,000</u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2015
	£
Fair value at start of year	17,805,000
Interest income	600,000
Actuarial gains and losses	(305,000)
Employer contributions	271,000
Benefits paid and expenses	(589,000)
Fair value at end of year	<u>17,782,000</u>

Analysis of assets

The major categories of scheme assets are as follows:

	2015	2014
	£	£
Cash and cash equivalents	4,000	4,000
Equity instruments	9,405,000	9,362,000
Debt instruments	6,589,000	6,792,000
Property	1,784,000	1,647,000
	<u>17,782,000</u>	<u>17,805,000</u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Return on scheme assets

	2015 £	2014 £
Return on scheme assets	<u>295,000</u>	<u>1,711,000</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2015 %	2014 %
Discount rate	3.80	3.40
Inflation	<u>3.20</u>	<u>3.10</u>

Post retirement mortality assumptions

	2015 Years	2014 Years
Current UK pensioners at retirement age - male	22.10	22.20
Current UK pensioners at retirement age - female	24.10	24.50
Future UK pensioners at retirement age - male	23.80	24.00
Future UK pensioners at retirement age - female	<u>26.00</u>	<u>26.40</u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

19 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary of £1 each	<u>90</u>	<u>90</u>	<u>90</u>	<u>90</u>

20 Loans and borrowings

	2015 £	2014 £
Non-current loans and borrowings		
Bank borrowings	819,016	1,026,857
Finance lease liabilities	<u>58,824</u>	<u>-</u>
	<u>877,840</u>	<u>1,026,857</u>
	2015 £	2014 £
Current loans and borrowings		
Bank borrowings	214,782	214,782
Finance lease liabilities	<u>56,753</u>	<u>-</u>
	<u>271,535</u>	<u>214,782</u>

Bank borrowings

The bank loans are secured by a legal charge over the company's freehold properties and a standard debenture. Two of the loans totalling £816,611 at the year end incur interest at a rate of 1.3% above LIBOR and are repayable in quarterly instalments of £48,085. A third loan of £217,183 at the year end incurs interest at 2.8% per annum and is repayable in monthly installments of £2,485.

Included in the loans and borrowings are the following amounts due after more than five years:

	2015 £	2014 £
After more than five years by instalments	19,199	96,026

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

21 Obligations under leases and hire purchase contracts

Finance leases

The finance leases are secured on the assets financed.

The total of future minimum lease payments is as follows:

	2015
	£
Not later than one year	56,753
Later than one year and not later than five years	58,824
	<u>115,577</u>

Operating leases

The total of future minimum lease payments is as follows:

	2015	2014
	£	£
Not later than one year	13,655	2,000
Later than one year and not later than five years	231,130	208,838
Later than five years	-	147,000
	<u>244,785</u>	<u>357,838</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £126,398 (2014 - £95,034).

22 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2014 - £135,805).

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

23 Transition to FRS 102

Balance Sheet at 31 December 2014

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Pension liability		<u>(957,600)</u>	<u>-</u>	<u>(16,800)</u>	<u>(974,400)</u>
Capital and reserves					
Called up share capital		90	-	-	90
Other reserves		243,761	-	-	243,761
Profit and loss account		<u>3,460,164</u>	<u>-</u>	<u>(16,800)</u>	<u>3,443,364</u>
Total equity		<u>3,704,015</u>	<u>-</u>	<u>(16,800)</u>	<u>3,687,215</u>

Profit and Loss Account for the year ended 31 December 2014

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover		15,499,684	-	-	15,499,684
Cost of sales		<u>(6,411,908)</u>	<u>-</u>	<u>-</u>	<u>(6,411,908)</u>
Gross profit		9,087,776	-	-	9,087,776
Administrative expenses		<u>(8,927,655)</u>	<u>-</u>	<u>-</u>	<u>(8,927,655)</u>
Operating profit		<u>160,121</u>	<u>-</u>	<u>-</u>	<u>160,121</u>
Other interest receivable and similar income		210,713	-	(207,000)	3,713
Interest payable and similar charges		<u>(21,315)</u>	<u>-</u>	<u>-</u>	<u>(21,315)</u>
		<u>189,398</u>	<u>-</u>	<u>(207,000)</u>	<u>(17,602)</u>
Profit/(loss) before tax		<u>349,519</u>	<u>-</u>	<u>(207,000)</u>	<u>142,519</u>
Profit/(loss) for the financial year		<u>349,519</u>	<u>-</u>	<u>(207,000)</u>	<u>142,519</u>