

**REGISTRAR OF
COMPANIES**

Registration number: 1055419

Iracroft Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2014

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Iracroft Limited
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Iracroft Limited
Company Information

Directors	M L Elliott P Lewis A M Simmonds A H Webb N D Parker
Company secretary	A H Webb
Registered office	Blandford Heights Industrial Estate Shaftesbury Lane Blandford Forum Dorset DT11 7TE
Bankers	Barclays Bank Plc
Auditors	Princercroft Willis Limited Chartered Accountants & Registered Auditors Towngate House 2-8 Parkstone Road Poole Dorset BH15 2PW

Iracroft Limited

Strategic Report for the Year Ended 31 December 2014

The directors present their strategic report and the financial statements for the year ended 31 December 2014.

Business review

Fair review of the business

The company manufactures and supplies manipulated and fabricated tubular products to market leading manufacturers in the construction and specialist equipment sectors. Our customers have a global presence and sell to a number of different sectors worldwide.

Market conditions in 2014 in most geographical regions for our customers were generally flat at best in comparison with last year. Despite this, the company secured new business and increased turnover by 8%.

The company continues to support a number of training schemes for the development of employees, recognising the importance of the workforce in meeting the challenges of the growth and improvement of the business.

Significant investment in plant and equipment took place during 2014 across a number of targeted areas in line with the existing and anticipated growth at the time.

Principal risks and uncertainties

The company supplies to global companies operating primarily in the construction sectors. Market uncertainties continue to exist in many regions and some countries, including the BRIC economies, experienced declines. International trade sanctions and exchange rate fluctuations have introduced uncertainties in the short to medium term outlook for European markets.

Development and performance of the business


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

	Unit	2014	2013
Turnover	£	15,499,684	14,283,477
Profit before tax	£	349,519	274,504
Net assets at year end (excluding pension liability)	£	4,661,615	4,560,909

The company invested in the growth of the business through recruitment and training, infrastructure and IT systems, which have impacted on the current year's results.

Investment in fixed assets in the year exceeded £500k.

Approved by the Board on 23 April 2015 and signed on its behalf by:


.....
A H Webb
Director

Iracroft Limited

Directors' Report for the Year Ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

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

A M Simmonds

A H Webb

N D Parker (appointed 15 September 2014)

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; 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.

Financial instruments

Objectives and policies

The financial risk management policies adopted by the company are not deemed to place excessive financial risks on the company and accordingly further information regarding these financial policies is not material for the assessment of the financial position or performance of the company.

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.

Iracroft Limited

Directors' Report for the Year Ended 31 December 2014

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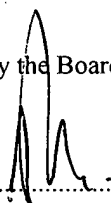
Disclosure of information to the auditor

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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Reappointment of auditors

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

Approved by the Board on 22 April 2015 and signed on its behalf by:


.....
A H Webb
Director

Independent Auditor's Report to the Members of Iracroft Limited

We have audited the financial statements of Iracroft Limited for the year ended 31 December 2014, set out on pages 7 to 25. 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 3), 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.

Scope of the audit of the financial statements

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

Opinion on 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**Independent Auditor's Report to the Members of
Iracroft Limited**

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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

Mark Johns ACA FCCA (Senior Statutory Auditor)
For and on behalf of Princecroft Willis Limited, Statutory Auditor

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

29 April 2015

Iracroft Limited
Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	15,499,684	14,283,477
Cost of sales		<u>(6,411,908)</u>	<u>(5,820,457)</u>
Gross profit		9,087,776	8,463,020
Administrative expenses		<u>(8,927,655)</u>	<u>(8,173,725)</u>
Operating profit	3	160,121	289,295
Other interest receivable and similar income	6	210,713	3,612
Interest payable and similar charges	7	<u>(21,315)</u>	<u>(18,403)</u>
Profit on ordinary activities before taxation		349,519	274,504
Tax on profit on ordinary activities	8	<u>(41,813)</u>	<u>(54,366)</u>
Profit for the financial year	16	<u><u>307,706</u></u>	<u><u>220,138</u></u>

Turnover and operating profit derive wholly from continuing operations.

Iracroft Limited

Statement of Total Recognised Gains and Losses for the Year Ended 31 December 2014

	Note	2014 £	2013 £
Profit for the financial year		307,706	220,138
Actuarial (loss)/gain recognised on defined benefit pension scheme		<u>(1,164,600)</u>	<u>645,750</u>
Total recognised gains and losses relating to the year		<u><u>(856,894)</u></u>	<u><u>865,888</u></u>

The notes on pages 12 to 25 form an integral part of these financial statements.

Iracroft Limited
(Registration number: 1055419)
Balance Sheet at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible fixed assets	9	4,313,819	4,251,989
Current assets			
Stocks	10	1,192,702	1,095,847
Debtors	11	2,478,477	1,910,816
Cash at bank and in hand		137,467	750,595
		3,808,646	3,757,258
Creditors: Amounts falling due within one year	12	(2,328,489)	(2,378,296)
Net current assets		1,480,157	1,378,962
Total assets less current liabilities		5,793,976	5,630,951
Creditors: Amounts falling due after more than one year	13	(1,026,857)	(1,011,517)
Provisions for liabilities	14	(105,504)	(58,525)
Net assets excluding pension liability		4,661,615	4,560,909
Net pension liability	18	(957,600)	-
Net assets		3,704,015	4,560,909
Capital and reserves			
Called up share capital	15	90	90
Other reserves	16	243,761	243,761
Profit and loss account	16	3,460,164	4,317,058
Shareholders' funds	17	3,704,015	4,560,909

Approved by the Board on 28/4/15 and signed on its behalf by:



N D Parker
Director

The notes on pages 12 to 25 form an integral part of these financial statements.

Iracroft Limited
Cash Flow Statement for the Year Ended 31 December 2014

Reconciliation of operating profit to net cash flow from operating activities

	2014	2013
	£	£
Operating profit	160,121	289,295
Depreciation, amortisation and impairment charges	445,323	438,837
Profit on disposal of fixed assets	(3,000)	-
Increase in stocks	(96,855)	(156,444)
Increase in debtors	(562,495)	(20,237)
Increase in creditors	102,055	322,590
Net cash inflow from operating activities	<u>45,149</u>	<u>874,041</u>

Cash flow statement

	2014	2013
	£	£
Net cash inflow from operating activities	<u>45,149</u>	<u>874,041</u>
Returns on investments and servicing of finance		
Interest paid	(21,315)	(18,403)
Bank interest receivable	3,713	3,612
	<u>(17,602)</u>	<u>(14,791)</u>
Taxation paid	<u>(52,611)</u>	<u>(66,517)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(507,153)	(745,418)
Sale of tangible fixed assets	3,000	-
	<u>(504,153)</u>	<u>(745,418)</u>
Net cash (outflow)/inflow before management of liquid resources and financing	(529,217)	47,315
Financing		
New/(Repayment of) loans and borrowings	<u>35,218</u>	<u>241,614</u>
(Decrease)/increase in cash	<u>(493,999)</u>	<u>288,929</u>

The notes on pages 12 to 25 form an integral part of these financial statements.

Iracroft Limited

Cash Flow Statement for the Year Ended 31 December 2014

..... continued

Reconciliation of net cash flow to movement in net debt

	Note	2014 £	2013 £
(Decrease)/increase in cash		(493,999)	288,929
Cash outflow from repayment of loans		<u>(35,218)</u>	<u>(241,614)</u>
Change in net debt resulting from cash flows	20	<u>(529,217)</u>	<u>47,315</u>
 Movement in net debt	20	 (529,217)	 47,315
Net debt at 1 January	20	<u>(574,955)</u>	<u>(622,270)</u>
Net debt at 31 December	20	<u><u>(1,104,172)</u></u>	<u><u>(574,955)</u></u>

The notes on pages 12 to 25 form an integral part of these financial statements.

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

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

Research and development

Research and development expenditure is written off as incurred.

Stock

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.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currency

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.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The company operated a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the company. The scheme closed to further accrual on 31 July 2009.

The company has applied the Amendments to FRS17 Retirement Benefits which is effective for accounting periods commencing on or after 6 April 2007. The amendment to FRS17 primarily affects disclosures in relation to defined benefit schemes.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the company.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on the scheme assets are included in other finance income. Actuarial gains and losses are reported in the statement of total recognised gains and losses.

2 Turnover

During the year 12.25% of the company's turnover related to exports (2013 - 9.8%).

An analysis of turnover by geographical location is given below:

	2014	2013
	£	£
Sales - UK	13,600,752	12,883,726
Sales - Europe	1,779,938	1,382,510
Sales - Rest of world	118,994	17,241
	<u>15,499,684</u>	<u>14,283,477</u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

3 Operating profit

Operating profit is stated after charging:

	2014 £	2013 £
Operating leases - other assets	72,743	72,282
Auditor's remuneration - The audit of the company's annual accounts	12,900	12,700
Foreign currency losses	29,495	16,291
Profit on sale of tangible fixed assets	(3,000)	-
Depreciation of owned assets	<u>445,323</u>	<u>438,837</u>

4 Particulars of employees

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

	2014 No.	2013 No.
Administration and support	45	41
Production	<u>173</u>	<u>163</u>
	<u>218</u>	<u>204</u>

The aggregate payroll costs were as follows:

	2014 £	2013 £
Wages and salaries	5,810,649	5,189,834
Social security costs	549,331	496,268
Staff pensions	<u>551,855</u>	<u>498,075</u>
	<u>6,911,835</u>	<u>6,184,177</u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2014 £	2013 £
Remuneration (including benefits in kind)	<u>630,553</u>	<u>628,184</u>

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

	2014 No.	2013 No.
Accruing benefits under defined benefit pension scheme	<u>5</u>	<u>5</u>

In respect of the highest paid director:

	2014 £	2013 £
Remuneration	157,944	155,017
Company contributions to money purchase pension schemes	39,800	5,718
Defined benefit accrued pension entitlement at the end of the period	<u>23,279</u>	<u>26,825</u>

6 Other interest receivable and similar income

	2014 £	2013 £
Bank interest receivable	3,713	3,612
Pension scheme finance income	<u>207,000</u>	<u>-</u>
	<u>210,713</u>	<u>3,612</u>

7 Interest payable and similar charges

	2014 £	2013 £
Interest on bank borrowings	<u>21,315</u>	<u>18,403</u>
	<u>21,315</u>	<u>18,403</u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

8 Taxation

Tax on profit on ordinary activities

	2014 £	2013 £
Current tax		
Corporation tax (credit)/charge	(5,166)	52,611
Adjustments in respect of previous years	-	(330)
UK Corporation tax	(5,166)	52,281
Deferred tax		
Origination and reversal of timing differences	46,979	2,085
Total tax on profit on ordinary activities	41,813	54,366

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 20% (2013 - 20%).

The differences are reconciled below:

	2014 £	2013 £
Profit on ordinary activities before taxation	349,519	274,504
Corporation tax at standard rate	69,904	54,901
Accelerated capital allowances	(34,510)	(2,468)
Prior year over provision	-	(330)
Expenses not deductible for tax purposes	(40,560)	178
Total current tax	(5,166)	52,281

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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9 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2014	3,716,660	4,537,036	589,735	92,495	8,935,926
Additions	20,971	412,349	31,053	42,780	507,153
Disposals	-	(426,266)	(44,780)	(30,723)	(501,769)
At 31 December 2014	3,737,631	4,523,119	576,008	104,552	8,941,310
Depreciation					
At 1 January 2014	691,839	3,425,199	495,374	71,525	4,683,937
Charge for the year	57,628	336,846	37,073	13,776	445,323
Eliminated on disposals	-	(426,266)	(44,780)	(30,723)	(501,769)
At 31 December 2014	749,467	3,335,779	487,667	54,578	4,627,491
Net book value					
At 31 December 2014	2,988,164	1,187,340	88,341	49,974	4,313,819
At 31 December 2013	3,024,821	1,111,837	94,361	20,970	4,251,989

Freehold land and buildings includes £845,00 (2013 £845,000) of non depreciable assets.

10 Stocks

	2014 £	2013 £
Raw materials	488,336	544,829
Finished goods	704,366	551,018
	<u>1,192,702</u>	<u>1,095,847</u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

11 Debtors

	2014 £	2013 £
Trade debtors	2,315,713	1,678,766
Other debtors	35,421	107,558
Prepayments and accrued income	127,343	124,492
	<u>2,478,477</u>	<u>1,910,816</u>

12 Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	1,354,776	1,247,602
Bank loans and overdrafts	214,782	314,033
Corporation tax	-	52,611
Other taxes and social security	463,037	372,073
Other creditors	14,924	11,684
Accruals and deferred income	280,970	380,293
	<u>2,328,489</u>	<u>2,378,296</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company:

	2014 £	2013 £
Bank loans and overdraft	<u>214,782</u>	<u>314,033</u>

13 Creditors: Amounts falling due after more than one year

	2014 £	2013 £
Bank loans and overdrafts	<u>1,026,857</u>	<u>1,011,517</u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company:

	2014 £	2013 £
Bank loans	<u>1,026,857</u>	<u>1,011,517</u>

The bank loans are secured by a legal charge over the company's freehold properties and a standard debenture. Two of the loans totalling £1,011,520 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 £230,119 at the year end incurs interest at 2.8% per annum and is repayable in £2,485 monthly installments.

Included in the creditors are the following amounts due after more than five years:

	2014 £	2013 £
After more than five years by instalments	<u>96,026</u>	<u>231,900</u>

14 Provisions

	Deferred tax £	Total £
At 1 January 2014	58,525	58,525
Charged to the profit and loss account	<u>46,979</u>	<u>46,979</u>
At 31 December 2014	<u>105,504</u>	<u>105,504</u>

Analysis of deferred tax

	2014 £	2013 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>105,504</u>	<u>58,525</u>

15 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No.	£	No.	£
Ordinary of £1 each	90	90	90	90

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

16 Reserves

	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total £
At 1 January 2014	225,061	18,700	4,317,058	4,560,819
Profit for the year	-	-	307,706	307,706
Actuarial loss on pension schemes	-	-	(1,164,600)	(1,164,600)
At 31 December 2014	<u>225,061</u>	<u>18,700</u>	<u>3,460,164</u>	<u>3,703,925</u>

17 Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Profit attributable to the members of the company	307,706	220,138
Other recognised gains and losses relating to the year	<u>(1,164,600)</u>	<u>645,750</u>
Net (reduction)/addition to shareholders' funds	(856,894)	865,888
Shareholders' funds at 1 January	<u>4,560,909</u>	<u>3,695,021</u>
Shareholders' funds at 31 December	<u>3,704,015</u>	<u>4,560,909</u>

18 Pension 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 £258,239 (2013 - £240,045).

Contributions totalling £14,924 (2013 - £11,684) were payable to the schemes at the end of the year and are included in creditors.

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

Defined benefit pension schemes

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.

Contributions payable to the pension scheme at the end of the year are £nil (2013 - £nil).

The total contributions in the next year are expected to be £250,000.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2014 £	2013 £
Fair value of scheme assets	17,826,000	16,324,000
Present value of scheme liabilities	(19,023,000)	(16,277,000)
	(1,197,000)	47,000
Amounts not recognised as an asset under FRS 17 paragraph 41	-	(47,000)
Defined benefit pension scheme deficit	(1,197,000)	-
Related deferred tax asset	239,400	-
Net liability in the balance sheet	(957,600)	-

Scheme assets

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

	2014 £	2013 £
Fair value at start of year	16,324,000	14,868,000
Expected return on assets	952,000	677,000
Actuarial gains and losses	759,000	878,000
Employer contributions	250,000	237,000
Benefits paid	(459,000)	(336,000)
Fair value at end of year	17,826,000	16,324,000

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

Analysis of assets

The major categories of scheme assets are as follows:

	2014 £	2013 £
Equity instruments	9,362,000	8,980,000
Debt instruments	6,792,000	5,816,000
Property	1,647,000	1,368,000
Cash	25,000	160,000
	<u>17,826,000</u>	<u>16,324,000</u>

Actual return on scheme's assets

	2014 £	2013 £
Actual return on scheme assets	<u>1,711,000</u>	<u>201,000</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.

The overall expected return on assets assumption is derived as the weighted average of the expected returns from each of the main asset classes.

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2014 £	2013 £
Present value at start of year	16,277,000	15,729,000
Actuarial gains and losses	2,460,000	207,000
Interest cost	707,000	639,000
Benefits paid	(421,000)	(298,000)
Present value at end of year	<u>19,023,000</u>	<u>16,277,000</u>
Analysed as:		
Present value arising from wholly or partly funded schemes	<u>(19,023,000)</u>	<u>(16,277,000)</u>

Iracroft Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows:

	2014 %	2013 %
Discount rate	3.40	4.40
Inflation	3.10	3.50
Expected return on scheme assets - bonds	4.15	3.85
Expected return on scheme assets - equity	7.35	6.45
Expected return on scheme assets - cash	0.25	0.25
Expected return on scheme assets - property	5.35	4.45
Expected return on scheme assets - other	<u>3.35</u>	<u>2.45</u>

Post retirement mortality assumptions

	2014 Years	2013 Years
Current pensioners at retirement age - male	22.20	22.10
Current pensioners at retirement age - female	24.50	24.40
Future pensioners at retirement age - male	24.00	23.90
Future pensioners at retirement age - female	<u>26.40</u>	<u>26.30</u>

The mortality assumptions used to value benefit obligation at 31 December 2014 are based on the SIPxA year of birth table for males and SIPxA year of birth table for females projected using the Continuous Mortality Investigation 2013 model, subject to a long term rate of improvement of 1.25% p.a., (improvements in mortality are assumed to continue in the future).

Amounts recognised in the profit and loss account

	2014 £	2013 £
Amounts recognised in operating profit		
Recognised in arriving at operating profit	<u>-</u>	<u>-</u>
Amounts recognised in other finance cost		
Interest cost	745,000	677,000
Expected return on scheme assets	<u>(952,000)</u>	<u>(677,000)</u>
Recognised in other finance cost	<u>(207,000)</u>	<u>-</u>
Total recognised in the profit and loss account	<u>(207,000)</u>	<u>-</u>

If there had been no limit on the expected return on the scheme assets due to some of the surplus not being recoverable, the expected return on the scheme assets for 2013 would have been £739,000, i.e. £62,000 of the expected returns are not disclosed in the P&L due to the limit of paragraph 41 of FRS17.

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Notes to the Financial Statements for the Year Ended 31 December 2014

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Amounts recognised in the statement of total recognised gains and losses

	2014 £	2013 £
Other actuarial gains (losses)	<u>(957,600)</u>	<u>645,750</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and (losses) since 1 January 2002 is £292,400 (2013 - £1,250,000).

History of experience adjustments on scheme assets and liabilities

Amounts for the current and previous 4 periods are as follows:

	2014 £	2013 £	2012 £	2011 £	2010 £
Fair value of scheme assets	17,826,000	16,324,000	14,868,000	13,915,000	13,421,000
Present value of scheme liabilities	<u>(19,023,000)</u>	<u>(16,277,000)</u>	<u>(15,729,000)</u>	<u>(13,606,000)</u>	<u>(12,382,000)</u>
(Deficit)/surplus in scheme	<u>(1,197,000)</u>	<u>47,000</u>	<u>(861,000)</u>	<u>309,000</u>	<u>1,039,000</u>

Experience adjustments:

	2014 £	2013 £	2012 £	2011 £	2010 £
Experience adjustments arising on scheme assets	<u>759,000</u>	<u>878,000</u>	<u>535,000</u>	<u>(129,000)</u>	<u>735,000</u>
Experience adjustments arising on scheme liabilities	<u>39,000</u>	<u>34,000</u>	<u>(447,000)</u>	<u>45,000</u>	<u>388,000</u>

19 Commitments

Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £135,805 (2013 - £120,250).

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Notes to the Financial Statements for the Year Ended 31 December 2014

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Operating lease commitments

As at 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2014 £	2013 £
Land and buildings		
Within two and five years	43,750	67,750
Over five years	28,000	-
	<u>71,750</u>	<u>67,750</u>
Other		
Within one year	-	2,974
Within two and five years	36,324	24,310
	<u>36,324</u>	<u>27,284</u>

20 Analysis of net debt

	At 1 January 2014 £	Cash flow £	At 31 December 2014 £
Cash at bank and in hand	750,595	(613,128)	137,467
Bank overdraft	(119,129)	119,129	-
	<u>631,466</u>	<u>(493,999)</u>	<u>137,467</u>
Debt due within one year	(194,904)	(19,878)	(214,782)
Debt due after more than one year	(1,011,517)	(15,340)	(1,026,857)
Net debt	<u>(574,955)</u>	<u>(529,217)</u>	<u>(1,104,172)</u>

21 Control

The company is controlled by DCB Will Trust which includes M L Elliot and A M Simmonds as trustees and beneficiaries.