

Accura Supply Limited

Report and Financial Statements

Year Ended

31 March 2016

Company number: 01136933



BDO

Accura Supply Limited

Annual report and financial statements for the year ended 31 March 2016

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Directors

I A Austin
W A F Joss
D J Williams
F A Barr

Company number

01136933

Auditors

BDO LLP, Two Snowhill, Birmingham, B4 6GA

Bankers

HSBC, 130 New Street, Birmingham, B2 4JU

Registered office

Hickman Avenue, Wolverhampton, West Midlands, WV1 2EN

Accura Supply Limited

Strategic report for the year ended 31 March 2016

The directors present their strategic report for the year ended 31 March 2016.

Review of business and future developments

The primary markets for the company remain within the aerospace, oil and gas and automotive sectors, and its client base is a diverse group of blue chip businesses delivering a wide range of services to these sectors.

Having taken significant steps in the previous year to address various legacy issues, the 2015/16 year saw a return to more consistent sales and profit performance partially underpinned by several major client project wins including Hess in Houston and PSN Wood Group in Kazakhstan. Quotation levels remained high throughout the year, and the pipeline for future orders grew substantially over the prior year. As further capital constraints are eased, and project funding in the Oil and Gas sector is restored as it will need to be, Accura Supply will see further major contract awards leading to stronger growth in revenues and EBITDA.

The business continued to refine its market approach and its strategic initiative to diversify into new products and market sectors with the continued emphasis on Hot Isostatic Pressing as an innovative and high quality manufacturing process. Several significant orders for complex components were received and supplied into projects around the globe with Aker Group and others, and the successful launch of Accura's product offerings into the Food Extrusion industry through an exclusive partnership with AIMS have seen a further strengthening of the opportunity pipeline along with a commitment to the first orders from blue chip clients in various countries.

The final phases of organisational restructuring were completed during the year, and a substantial reduction in the overall cost base has led to a more consistent profit performance each quarter, with greater controls on cost and process throughout the business. The outlook for 2016/17 is for sustained growth in revenues which will underpin a return to profitability.

Management of key risks

The principal risk arising from the company's activities is credit risk which arises from amounts being received from customers as they fall due. Appropriate provisions for doubtful debts are included in the year end accounts and the net balances are considered recoverable.

Key performance indicators

Management use key performance indicators to monitor the business on a monthly basis. The principal indicators are turnover, EBITDA, and gross contribution, which are disclosed within these financial statements.

Approved by the Board of Directors and signed on their behalf by:


W A F Joss
Director

1 July 2016

Accura Supply Limited

Report of the directors for the year ended 31 March 2016

The directors present their annual report and the audited financial statements for the year ended 31 March 2016.

Principal activity

The company is a specialist supplier of precision machining services to a portfolio of blue chip customers.

Strategic Report

The review of the business and future developments, key performance indicators and the management of key risks are not shown in the directors report as they are shown in the strategic report in accordance with S414C (11) of the Companies Act 2006.

Results and dividends

The profit and loss account is set out on page 6 and shows the loss for the year.

Interim dividends of £Nil (2015 - £Nil) were paid to ordinary shareholders during the year. The directors do not recommend the payment of a final dividend.

Financial instruments

The company holds financial instruments to finance its operations, being trade debtors and trade creditors arising directly from the company's operations. Operations and working capital are funded principally out of cash balances.

Employment of disabled persons

It has been the policy of the company throughout the year to encourage the employment and development of suitable disabled persons.

No unnecessary limitations are placed on the type of work which disabled persons can perform and the policy ensures that in appropriate cases, consideration is given to modifications to equipment or premises and to adjustments in working practices.

The policy provides that full and fair consideration will be given to disabled applicants for employment and that existing employees who become disabled will have the opportunity to re train and continue in employment.

Employee involvement

During the year the policy of providing employees with information about the company has continued through the use of internal memos and bulletins. Regular communication occurs between management and employees to allow the free flow of information and ideas.

Directors

The directors of the company during the year and up to the date of this report were:

I A Austin
W A F Joss
D J Williams
F A Barr (appointed 11 April 2015)
R Rugen (resigned 13 April 2015)

The company has arranged third party indemnity provisions for all of its directors.

Accura Supply Limited

Report of the directors for the year ended 31 March 2016 (*continued*)

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departure disclosed and explained in the financial statements;
- 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP are deemed to be reappointed under S487(2) of the Companies Act 2006.

On behalf of the Board



W A F Joss
Director

1 July 2016

Accura Supply Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ACCURA SUPPLY LIMITED

We have audited the financial statements of Accura Supply Limited for the year ended 31 March 2016 which comprise the profit and loss account, the statement of income and retained earnings, the balance sheet 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 FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

This report is made solely to the company's member 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 member 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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 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 March 2016 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 matters 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.

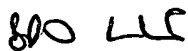
Accura Supply Limited

Independent auditor's report (*continued*)

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.



*Thomas Lawton (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom*

1 July 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Accura Supply Limited

Profit and loss account for the year ended 31 March 2016

	Note	2016 £	2015 £
Revenue	3	7,835,181	5,942,697
Cost of sales (including exceptional items of £526,465 (2015 - £Nil))		6,888,777	5,391,399
Gross profit		946,404	551,298
Distribution costs		798,621	1,001,894
Administrative expenses (including exceptional items of £174,849 (2015 - £112,806))		1,454,947	757,176
Operating loss	4	(1,307,164)	(1,207,772)
Interest receivable and similar income	8	104	-
Interest payable and similar charges	9	(6,359)	(9,777)
Loss on ordinary activities before taxation		(1,313,419)	(1,217,549)
Tax credit on loss on ordinary activities	10	231,915	120,976
Loss on ordinary activities after taxation		(1,081,504)	(1,096,573)

All amounts relate to continuing activities.

There are no items of other comprehensive income in either year other than those reflected in the profit and loss account. Accordingly no separate statement of other comprehensive income is presented.

Statement of Income and retained (deficit)/earnings for the year ended 31 March 2016

	2016 £	2015 £
Retained (deficit)/earnings at the beginning of the year	(287,184)	809,389
Loss for the financial year	(1,081,504)	(1,096,573)
Retained deficit at the end of the year	(1,368,688)	(287,184)

The notes on pages 8 to 20 form part of these financial statements

Accura Supply Limited

Balance sheet at 31 March 2016

<i>Company number 01136933</i>	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	11		138,388		217,193
Current assets					
Stocks	12	600,008		844,147	
Debtors	13	3,234,422		2,249,150	
Cash at bank and in hand		1,208,112		2,004,296	
		5,042,542		5,097,593	
Creditors: amounts falling due within one year	14	6,521,731		5,564,858	
Net current liabilities			(1,479,189)		(467,265)
Total assets less current liabilities			(1,340,801)		(250,072)
Creditors: amounts falling due after more than one year	15		26,887		36,112
Net liabilities			(1,367,688)		(286,184)
Capital and reserves					
Called up share capital	18	1,000		1,000	
Profit and loss account		(1,368,688)		(287,184)	
Shareholders' deficit			(1,367,688)		(286,184)

The financial statements were approved by the Board of Directors and authorised for issue on 1 July 2016.



W A F Joss
Director

The notes on pages 8 to 20 form part of these financial statements

Accura Supply Limited

Notes forming part of the financial statements for the year ended 31 March 2016

1 Accounting policies

The financial statements have been prepared in accordance with Financial Reporting Standard 102 ('FRS 102'), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

These financial statements are the first financial statements prepared in accordance with FRS 102. Information on the impact of first-time adoption of FRS 102 is given in note 23.

The accounts have been prepared using the reduced disclosure exemptions permitted by FRS 102. The accounts therefore do not include:

- A statement of cash flows
- Related party transactions with members within the wholly owned group including the aggregate remuneration of the key management personnel

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The financial statements have been prepared in the Company's functional currency, pounds sterling.

The following principal accounting policies have been applied:

Going concern

At 31 March 2016 the company had net current liabilities of £1,479,189 (2015 - £467,265). The company is dependent upon the continued financial support of its parent undertaking who has confirmed the continuance of this support for a period not less than 12 months from the signing of these accounts. In addition the directors do not expect to make substantial repayment of any amount owed to group companies in the 12 months following the date of approval of these financial statements, which is under the control of the directors of the parent company.

The directors have forecast improvements in trading performance and have a reasonable expectation that they have adequate resources, through further group trading and funding from current group banking facilities, to continue in operational existence for at least the 12 months following the approval of these financial statements. For these reasons, they continue to adopt the going concern basis in preparing the annual reports and accounts.

Long-term contracts

Work carried out of a contractual nature, which carries over a period end and is of a size material to the results are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and latest costs as contract activity progresses. Where the outcome of each long term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

Revenue

Revenue represents sales to external customers at invoiced amounts less value added tax.

Accura Supply Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

1 Accounting policies (*continued*)

Depreciation

Depreciation on other assets 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:

Leasehold property	-	Duration of lease
Plant and machinery	-	5 years straight line
Motor vehicles	-	4 years straight line
Fixtures and fittings	-	3-5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 or losses' in the profit and loss account.

Stocks

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

At each reporting date, inventories are assessed for impairment. If inventory 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.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency assets and liabilities are translated at the rate ruling at the balance sheet date. Any differences are taken to the profit and loss.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance lease), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Accura Supply Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

1 Accounting policies (continued)

Pension costs

The company makes payments to defined contribution pension scheme on behalf of certain individuals. Contributions payable for the period are charged to the profit and loss account.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Holiday pay accrual

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

Operating loss

Operating loss is defined as the loss for the year after all operating costs and income but before interest receivable and similar income, interest payable and similar charges and taxation. Operating loss is shown as a separate line on the face of the profit and loss account.

Exceptional items

Exceptional items are material events that derive from events or transactions that fall within the company's ordinary activities which, in the opinion of the directors, need to be disclosed by virtue of their size or incidence to enable a more complete understanding of the financial performance for the year.

Exceptional items are included within the relevant expense heading on the profit and loss account and are highlighted within the notes to the financial statements.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Accura Supply Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Stock provisions

The company has recognised provisions for the impairment of stock. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

In the case of the provision for the impairment of stock, this covers obsolescence through technological or customer specific reasons. This provision is based on the assessment of stock value and ageing, quantities on hand, usage, changes in the market, technical developments and warranty periods. The value of stock in note 11 is net of the provision for the impairment of stock.

Recording of contracts

Work carried out of a contractual nature, which carries over a period end and is of a size material to the results are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and latest costs as contract activity progresses. Where the outcome of each long term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

Recoverability of deferred tax asset

Deferred tax assets are recognised to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. The directors have reviewed future budgets and forecasts when determining whether it is appropriate to recognise the deferred tax asset. It is deemed that there will be sufficient profits generated in the future to enable this asset to be recovered.

3 Revenue

	2016 £	2015 £
Analysis by geographical market:		
United Kingdom	951,610	1,398,314
Europe	3,442,052	2,352,171
USA	2,189,844	-
Rest of the world	1,251,675	2,192,212
	<u>7,835,181</u>	<u>5,942,697</u>

Revenue is wholly attributable to the principal activity of the company.

Accura Supply Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

4 Operating loss

	2016 £	2015 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	85,938	77,230
(Profit) on sale of fixed assets	(20,324)	(10,197)
Hire of plant and machinery - operating leases	11,089	25,595
Hire of other assets - operating leases	201,587	83,874
Audit services	11,500	10,000
Non-audit services	12,209	8,877
Exceptional items (note 7):		
Redundancy and business integration costs	174,849	112,806
Stock write downs and scrappings	526,465	-
	<u> </u>	<u> </u>

The directors have classified redundancy and business integration costs as exceptional in accordance with the company's accounting policies.

The stock write downs reflect a detailed review and assessment of all stock held by the company during the year followed by an assessment of the realisable value of older stock lines. The directors consider that the provision / write off in connection with this assessment should be shown as an exceptional item.

5 Employees

	2016 £	2015 £
Staff costs (including directors) consist of:		
Wages and salaries	1,883,607	1,503,352
Social security costs	189,543	155,853
Other pension costs	17,685	18,443
	<u> </u>	<u> </u>
	2,090,835	1,677,648
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year was as follows:

	Number	Number
Production	11	2
Management, administration and selling	36	33
	<u> </u>	<u> </u>
	47	35
	<u> </u>	<u> </u>

Accura Supply Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

6 Directors' remuneration

	2016 £	2015 £
Directors' emoluments	130,068	128,533
Company distributions to money purchase pension schemes	13,440	13,443

There was 1 director in the company's defined contribution pension scheme during the year (2015 - 1).

7 Exceptional items

The directors have categorised the following items as exceptional items in accordance with the company's accounting policy.

	2016 £	2015 £
Within administrative expenses:		
Redundancy and business integration costs	174,849	112,806
	174,849	112,806
Within cost of sales:		
Separately identifiable items - stock write downs and scrapping	526,465	-
Total exceptional items	701,314	112,806

8 Interest receivable and similar income

	2016 £	2015 £
Other interest receivable	104	-

9 Interest payable and similar charges

	2016 £	2015 £
Loan to group companies	4,845	5,950
Finance leases and hire purchase contracts	1,514	3,827
	6,359	9,777

Accura Supply Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (continued)

10 Taxation credit on loss on ordinary activities

	2016 £	2015 £
<i>UK corporation tax and group relief</i>		
Corporation tax and group relief on loss for the year	(58,257)	-
Adjustment in respect of previous periods	613	50,261
	<hr/>	<hr/>
Total current tax charge	(57,644)	50,261
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(202,109)	(251,810)
Effect of change in rate of corporation tax	30,565	9,201
Adjustment in respect of previous periods	(2,727)	71,372
	<hr/>	<hr/>
Movement in deferred tax provision (note 17)	(174,271)	(171,237)
	<hr/>	<hr/>
Taxation credit on loss on ordinary activities	(231,915)	(120,976)
	<hr/>	<hr/>

The tax assessed for the period differs from that resulting by applying the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	(1,313,419)	(1,217,549)
	<hr/>	<hr/>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20% (2015 - 21%)	(262,684)	(255,685)
Effect of:		
Income not taxable in the current year	(533)	-
Expenses not deductible for tax purposes	2,851	3,875
Effect of change in rate of corporation tax	30,565	9,201
Adjustments to deferred tax in respect of previous periods	(2,727)	71,372
Adjustment to corporation tax and group relief in respect of previous periods	613	50,261
	<hr/>	<hr/>
Total tax credit for period	(231,915)	(120,976)
	<hr/>	<hr/>

Factors that may affect future tax charge

The Chancellor has announced a reduction in the main rate of UK corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. This change became substantively enacted on 26 October 2015 and therefore the effect of the rate reductions has been reflected in the calculation of the deferred tax asset as it was substantively enacted prior to the balance sheet date. An additional reduction to 17% (effective from 1 April 2020) was announced in the budget on 16 March 2016. These reductions will reduce the company's future tax charges.

Accura Supply Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

11 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost</i>					
At beginning of year	187,403	1,090,208	93,875	451,396	1,822,882
Additions	-	-	-	7,133	7,133
Disposals	-	-	(59,737)	-	(59,737)
	<u>187,403</u>	<u>1,090,208</u>	<u>34,138</u>	<u>458,529</u>	<u>1,770,278</u>
<i>Depreciation</i>					
At beginning of year	131,959	972,437	87,194	414,099	1,605,689
Charge for the year	23,451	32,474	6,676	23,337	85,938
Disposals	-	-	(59,737)	-	(59,737)
	<u>155,410</u>	<u>1,004,911</u>	<u>34,133</u>	<u>437,436</u>	<u>1,631,890</u>
<i>Net book value</i>					
At 31 March 2016	<u>31,993</u>	<u>85,297</u>	<u>5</u>	<u>21,093</u>	<u>138,388</u>
At 31 March 2015	<u>55,444</u>	<u>117,771</u>	<u>6,681</u>	<u>37,297</u>	<u>217,193</u>

The net book value of tangible fixed assets includes an amount of £53,307 (2015 - £56,293) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charged on these assets during the year was £24,546 (2015 - £15,284).

Accura Supply Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

12 Stocks

	2016 £	2015 £
Raw materials	118,338	525,922
Work in progress	481,670	318,225
	<u>600,008</u>	<u>844,147</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

The cost of stocks expensed in the period and included within cost of sales was £4,770,010 (2015 - £4,023,573). There are impairment provisions in relation to stocks as at 31 March 2016 of £1,188,146 (2015 - £701,681).

13 Debtors

	2016 £	2015 £
Trade debtors	1,646,102	1,222,682
Amounts recoverable on contracts	609,700	364,233
Amounts owed by group undertakings	15,337	6,807
Other debtors	234,144	140,299
Prepayment and accrued income	90,157	57,000
Corporation tax and group relief	58,257	51,675
Deferred taxation (see note 17)	580,725	406,454
	<u>3,234,422</u>	<u>2,249,150</u>

All amounts shown under debtors fall due for payment within one year.

The charge for bad and doubtful debts during the year was £14,522 (2015 - £54,248).

The provision for bad and doubtful debts as at 31 March 2016 was £32,000 (2014 - £11,000)

Accura Supply Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,286,907	957,381
Payments on account	-	20,705
Amounts owed to group undertakings	5,086,932	4,286,668
Other taxation and social security	46,867	70,645
Obligations under finance lease and hire purchase contracts	22,118	17,978
Accruals and deferred income	78,907	211,481
	<u>6,521,731</u>	<u>5,564,858</u>

Amounts owed from group undertakings are unsecured, have no fixed date for repayment and are all repayable on demand. The directors do not expect to make substantial repayment of the amounts owed to group undertakings within 12 months following approval of these financial statements.

15 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Obligations under finance lease and hire purchase contracts	26,887	36,112
Maturity of debt:		
	Hire purchase contracts 2016 £	Hire purchase contracts 2015 £
In one year or less, or on demand	22,118	17,978
In more than one year but not more than two years	9,820	19,216
In more than two years but not more than five years	17,067	16,896
	<u>26,887</u>	<u>36,112</u>

Accura Supply Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (continued)

16 Financial instruments

The company's financial instruments may be analysed as follows:

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	3,861,808	3,846,991
Financial liabilities		
Financial liabilities measured at amortised cost	6,452,746	5,476,235

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, amounts recoverable on contracts, accrued income and amounts owed by group undertakings.

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

Information regarding the company's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Strategic Report.

17 Provisions for liabilities

		Deferred taxation provision £
At 1 April 2015		-
Transfer from debtors (note 13)		(406,454)
Credited to profit and loss account (note 10)		(174,271)
		(580,725)
Transferred to debtors (see note 13)		580,725
		-
Provision at 31 March 2016		-
	2016 £	2015 £
<i>Deferred taxation provision:</i>		
Accelerated capital allowances	(17,848)	(14,174)
Short term timing differences	(1,160)	(8,200)
Trading losses	(561,717)	(384,080)
	(580,725)	(406,454)

Deferred tax is provided at 19% (2015 - 20%). There is no unprovided deferred tax at either period end.

Deferred tax assets have been recognised in respect of all timing differences where the directors believe the relief can be utilised when the timing difference reverses and / or when the company returns to a tax payable position.

Accura Supply Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

18 Share capital

	Allotted, called up and fully paid	
	2016 £	2015 £
Ordinary shares of £1 each	1,000	1,000

The profits of the company are available for distribution in respect of each accounting period. In the event of winding-up the company, surplus assets and retained profits of the company after payment of its liabilities are available for distribution among the members. All shares carry voting rights of one vote per share.

19 Contingent liabilities

The company has guaranteed the bank borrowings of its fellow group undertakings. At the year end the liabilities covered by these guarantees totalled £741,197 (2015 - £1,571,824).

20 Pensions

The company makes available a stakeholder pension scheme to all employees and makes contributions to certain individual personnel pension plans. The pension charge represents contributions payable to the plans and amounted to £17,685 (2015 - £18,443). Contributions amounting to £1,506 (2015 - £1,711) were payable to the plans and are included in creditors.

21 Commitments under operating leases

The company had minimum lease payments under non-cancellable operating leases as set out below:

	2016 £	2015 £
Not later than 1 year	196,809	239,163
Later than 1 year and not later than 5 years	126,590	316,787
Total	323,399	555,950

22 Ultimate parent company and parent undertaking of larger group

The largest and smallest group in which the results of the company are consolidated is that headed by Accura Group Limited, incorporated in the United Kingdom. The consolidated accounts of this company may be obtained from the registered office. No other group accounts include the results of the company.

Accura Supply Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

23 First time adoption of FRS 102

	Note	Equity as at 1 April 2014 £	Loss for the year ended 31 March 2015 £	Equity as at 31 March 2015 £
As previously stated in accordance with former UK GAAP		831,461	(1,096,573)	(265,112)
Transitional adjustments				
Recognition of holiday pay accrual	a	(21,072)	-	(21,072)
As stated in accordance with FRS 102		<u>810,389</u>	<u>(1,096,573)</u>	<u>(286,184)</u>

Explanation of changes to previously reported profit and equity

- a. A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.