

Company Registration No. 01207254 (England and Wales)

BKW INSTRUMENTS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015

WEDNESDAY



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24/08/2016
COMPANIES HOUSE

BKW INSTRUMENTS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | Mr P E Baker Mr M G Honeyford Mrs L Nicholls Mr M Nicholls Mrs C J Baker Mr G Roberts |
| Company number | 01207254 |
| Registered office | Weymouth Road Winton Eccles Manchester M30 8NN |
| Auditors | RSM UK Audit LLP Chartered Accountants Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE |
| Business address | Weymouth Road Winton Eccles Manchester M30 8NN |

BKW INSTRUMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Principal activities

The principal activity of the company during the year was as a manufacturer specialising in pressure and temperature measuring instrumentation including the assembly of components.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P E Baker
Mr M G Honeyford
Mrs L Nicholls
Mr M Nicholls
Mrs C J Baker
Mr G Roberts

Auditor

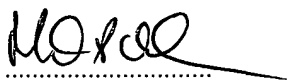
RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mr M Nicholls

Director

..... 17/8/16

BKW INSTRUMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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;
- 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.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BKW INSTRUMENTS LIMITED

We have audited the financial statements on pages 5 to 18. 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 more fully explained in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 <http://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 December 2015 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BKW INSTRUMENTS LIMITED (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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

RSM UK Audit LLP

Ian Taylor (Senior Statutory Auditor)

for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

Bluebell House

Brian Johnson Way

Preston

Lancashire

PR2 5PE

27 August 2016

BKW INSTRUMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

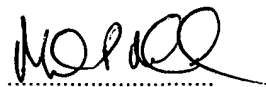
| | Notes | 2015 £ | 2014 £ |
|--|-------|------------------|------------------|
| Turnover | | 7,450,603 | 7,812,444 |
| Cost of sales | | (4,318,486) | (4,656,474) |
| Gross profit | | 3,132,117 | 3,155,970 |
| Distribution costs | | (491,567) | (439,038) |
| Administrative expenses | | (2,185,307) | (2,199,699) |
| Other operating income | | 8,608 | - |
| Exceptional item | 2 | - | 229,996 |
| Operating profit | 3 | 463,851 | 747,229 |
| Interest receivable and similar income | | 74 | 461 |
| Interest payable and similar charges | | (57,263) | (54,909) |
| Profit on ordinary activities before taxation | | 406,662 | 692,781 |
| Taxation | | (87,651) | (97,315) |
| Profit for the financial year | 18 | 319,011 | 595,466 |
| Total comprehensive income for the year | | 319,011 | 595,466 |

BKW INSTRUMENTS LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2015**

| | Notes | 2015 £ | £ | 2014 £ | £ |
|--|-------|--------------------|-------------|--------------------|-------------|
| Fixed assets | | | | | |
| Intangible assets | 7 | 24,557 | | - | |
| Tangible assets | 8 | 2,420,642 | | 2,449,643 | |
| | | <u>2,445,199</u> | | <u>2,449,643</u> | |
| Current assets | | | | | |
| Stocks | | 390,644 | | 433,016 | |
| Debtors | 9 | 1,208,944 | | 1,659,300 | |
| Cash at bank and in hand | | 32,197 | | 13,093 | |
| | | <u>1,631,785</u> | | <u>2,105,409</u> | |
| Creditors: amounts falling due within one year | 10 | <u>(1,729,918)</u> | | <u>(2,003,925)</u> | |
| Net current (liabilities)/assets | | | (98,133) | | 101,484 |
| Total assets less current liabilities | | <u>2,347,066</u> | | <u>2,551,127</u> | |
| Creditors: amounts falling due after more than one year | 11 | | (1,188,557) | | (1,447,808) |
| Provisions for liabilities | 15 | | (192,135) | | (185,422) |
| Net assets | | <u>966,374</u> | | <u>917,897</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 16 | 5,000 | | 5,000 | |
| Own shares | 17 | (300,000) | | (300,000) | |
| Profit and loss reserves | 18 | 1,261,374 | | 1,212,897 | |
| Total equity | | <u>966,374</u> | | <u>917,897</u> | |

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

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



Mr M Nicholls

Director

17/8/16.

BKW INSTRUMENTS LIMITED

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

1 Accounting policies

Company information

BKW Instruments Limited is a private company limited by shares incorporated in England and Wales. The registered office is Weymouth Road, Winton, Eccles, Manchester, M30 8NN.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements are the first financial statements of BKW Instruments Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of BKW Instruments Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP. The reported financial position and financial performance for the previous period are not affected by the transition to FRS102.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Going concern

The directors have concluded that it is appropriate to prepare the financial statements on a going concern basis as the company had adequate cash resources and financial projections indicate that the company will continue to trade within its existing bank overdraft, bank loan funding facilities and long term funding provided by the director.

Turnover

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---------------------|-------------------|
| Website development | 15% straight line |
|---------------------|-------------------|

BKW INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|-----------------------------|-------------------|
| Land and buildings Freehold | 2% straight line |
| Plant and machinery | 10% straight line |
| Fixtures & fittings | 15% straight line |
| Motor vehicles | 20% straight line |

Land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the average costing method and includes the normal cost of transporting stock to its present location and condition.

Work in progress is valued on the basis of direct materials and labour costs.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

BKW INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

BKW INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

BKW INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Foreign exchange

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

Employee benefit trust

The company has established trusts for the benefit of employees and certain of their dependants. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

2 Exceptional costs/(income)

| | 2015 £ | 2014 £ |
|-----------------------------|-----------|-----------|
| Inter company loan forgiven | - | (229,996) |

The amounts owed to the parent company, BKW (Holdings) Limited of £nil (2014: £229,996) have been forgiven in the prior year and the amounts written back to the Statement of Comprehensive Income. The directors consider this to be exceptional income.

BKW INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

3 Operating profit

| | 2015 £ | 2014 £ |
|--|-----------|-----------|
| Operating profit for the year is stated after charging/(crediting): | | |
| Fees payable to the company's auditors for the audit of the company's financial statements | 10,000 | 5,045 |

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2015 Number | 2014 Number |
|------------------|----------------|----------------|
| Total | 27 | 17 |
| Production staff | 35 | 39 |
| | 62 | 56 |

5 Directors' remuneration

| | 2015 £ | 2014 £ |
|--------------------------------------|-----------|-----------|
| Remuneration for qualifying services | 397,015 | 437,083 |

Remuneration disclosed above include the following amounts paid to the highest paid director:

| | | |
|--------------------------------------|---------|---------|
| Remuneration for qualifying services | 102,571 | 118,215 |
|--------------------------------------|---------|---------|

6 Dividends

| | 2015 £ | 2014 £ |
|------------|-----------|-----------|
| Final paid | 270,534 | 284,301 |
| | 270,534 | 284,301 |

BKW INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

7 Intangible fixed assets

| | Website development £ |
|------------------------------------|--------------------------|
| Cost | |
| At 1 January 2015 | - |
| Additions - separately acquired | 28,892 |
| At 31 December 2015 | 28,892 |
| Amortisation and impairment | |
| At 1 January 2015 | - |
| Amortisation charged for the year | 4,335 |
| At 31 December 2015 | 4,335 |
| Carrying amount | |
| At 31 December 2015 | 24,557 |
| At 31 December 2014 | - |

8 Tangible fixed assets

| | Land and buildings Freehold £ | Plant and machinery £ | Fixtures & Motor vehicles fittings £ | £ | Total £ |
|------------------------------------|--|-----------------------------|--|----------|------------|
| Cost | | | | | |
| At 1 January 2015 | 1,788,635 | 796,497 | 467,395 | 80,307 | 3,132,834 |
| Additions | 114,189 | 19,420 | 11,825 | 480 | 145,914 |
| Disposals | - | (277,408) | - | (53,913) | (331,321) |
| At 31 December 2015 | 1,902,824 | 538,509 | 479,220 | 26,874 | 2,947,427 |
| Depreciation and impairment | | | | | |
| At 1 January 2015 | 68,561 | 408,150 | 169,295 | 37,185 | 683,191 |
| Depreciation charged in the year | 12,482 | 60,391 | 57,458 | 9,438 | 139,769 |
| Eliminated in respect of disposals | - | (265,238) | - | (30,937) | (296,175) |
| At 31 December 2015 | 81,043 | 203,303 | 226,753 | 15,686 | 526,785 |
| Carrying amount | | | | | |
| At 31 December 2015 | 1,821,781 | 335,206 | 252,467 | 11,188 | 2,420,642 |
| At 31 December 2014 | 1,720,074 | 388,347 | 298,100 | 43,122 | 2,449,643 |

BKW INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

8 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £34,914 (2014 - £37,135) for the year.

| | 2015 £ | 2014 £ |
|---------------------|----------------|----------------|
| Plant and machinery | 186,865 | 234,837 |
| Fixtures & fittings | 73,059 | 45,719 |
| Motor vehicles | - | 11,667 |
| | <u>259,924</u> | <u>292,223</u> |

9 Debtors

| | 2015 £ | 2014 £ |
|---|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 1,073,888 | 1,548,717 |
| Other debtors | 135,056 | 110,583 |
| | <u>1,208,944</u> | <u>1,659,300</u> |

10 Creditors: amounts falling due within one year

| | Notes | 2015 £ | 2014 £ |
|------------------------------------|-------|------------------|------------------|
| Bank loans and overdrafts | 13 | 212,628 | 167,379 |
| Obligations under finance leases | 14 | 45,846 | 85,545 |
| Other borrowings | 13 | 37,500 | - |
| Trade creditors | | 1,084,489 | 1,435,549 |
| Amounts due to group undertakings | | 1,195 | - |
| Corporation tax | | 81,393 | 16,715 |
| Other taxation and social security | | 217,032 | 206,770 |
| Accruals and deferred income | | 49,835 | 91,967 |
| | | <u>1,729,918</u> | <u>2,003,925</u> |

BKW INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

11 Creditors: amounts falling due after more than one year

| | Notes | 2015 £ | 2014 £ |
|----------------------------------|-------|------------------|------------------|
| Bank loans and overdrafts | 13 | 820,292 | 945,657 |
| Obligations under finance leases | 14 | 79,140 | 119,374 |
| Other borrowings | 13 | 289,125 | 382,777 |
| | | <u>1,188,557</u> | <u>1,447,808</u> |

Amounts included above which fall due after five years are as follows:

| | | |
|------------------------|----------------|----------------|
| Payable by instalments | 361,991 | 448,285 |
| | <u>361,991</u> | <u>448,285</u> |

12 Financial instruments

| | 2015 £ | 2014 £ |
|---|------------------|------------------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | <u>1,073,888</u> | <u>1,548,815</u> |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | <u>2,620,050</u> | <u>3,228,248</u> |

13 Borrowings

| | 2015 £ | 2014 £ |
|-------------------------|------------------|------------------|
| Bank loans | 966,317 | 1,070,000 |
| Bank overdrafts | 66,603 | 43,036 |
| Other loans | 326,625 | 382,777 |
| | <u>1,359,545</u> | <u>1,495,813</u> |
| Payable within one year | 250,128 | 167,379 |
| Payable after one year | <u>1,109,417</u> | <u>1,328,434</u> |

The long-term loans are secured by a debenture and first legal charge on the land and buildings owned by the company.

BKW INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

14 Finance lease obligations

| | 2015 £ | 2014 £ |
|---|----------------|----------------|
| Future minimum lease payments due under finance leases: | | |
| Less than one year | 45,846 | 85,545 |
| Between one and five years | 79,140 | 119,374 |
| | <u>124,986</u> | <u>204,919</u> |

Obligations under finance lease are secured on the assets concerned. Finance lease payments represent rentals payable by the company for certain items of fixed assets. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

15 Provisions for liabilities

| | 2015 £ | 2014 £ |
|--------------------------|----------------|----------------|
| Deferred tax liabilities | 192,135 | 185,422 |
| | <u>192,135</u> | <u>185,422</u> |

16 Called up share capital

| | 2015 £ | 2014 £ |
|---|--------------|--------------|
| Ordinary share capital Issued and fully paid 5,000 Ordinary shares of £1 each | 5,000 | 5,000 |
| | <u>5,000</u> | <u>5,000</u> |

BKW INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

17 Own shares

| | £ |
|---------------------|-----------|
| At 1 January 2014 | (300,000) |
| At 31 December 2014 | (300,000) |
| At 31 December 2015 | (300,000) |

The investment in own shares at 31 December 2015 comprises 350 (2014 - 350) ordinary shares of £1 each in BKW (Holdings) Limited that are held by BKW Instruments Trustee Limited.

Employee Benefit Trust

The company has established an Employee Benefit Trust to facilitate the contentment, loyalty, retention, encouragement and incentivisation of its employees. The trust net assets of £nil (2014: £nil) have been incorporated into the company's balance sheet. There have been no transactions during the year.

18 Reserves

| | 2015 £ | 2014 £ |
|------------------------------|-----------|-----------|
| At the beginning of the year | 1,212,897 | 901,732 |
| Profit for the year | 319,011 | 595,466 |
| Dividends | (270,534) | (284,301) |
| At the end of the year | 1,261,374 | 1,212,897 |

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2015 £ | 2014 £ |
|----------------------------|-----------|-----------|
| Within one year | 1,703 | 1,383 |
| Between two and five years | 2,022 | 3,725 |
| | 3,725 | 5,108 |

BKW INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

| | 2015 £ | 2014 £ |
|------------------------|-----------|-----------|
| Aggregate compensation | 443,350 | 489,700 |

The Company is related to BKW (Holdings) Limited by virtue of that company being the parent company. During the prior year a balance of £229,996 was forgiven by the parent company.

Included within creditors: amounts falling due within one year are directors' loan accounts of £37,500 (2014: £nil). The movement relates to dividends not yet drawn.

Included within creditors: amounts falling due after more than one year is a director's loan account of £289,125 (2014: £382,777). The movement relates to cash introduced and withdrawn and dividends not yet drawn.

During the year, dividends of £270,534 (2014: £284,301) were paid to the parent company, BKW (Holdings) Limited.

21 Parent company

The directors consider the ultimate parent company to be BKW (Holdings) Limited, a company registered in England and Wales. BKW (Holdings) Limited is exempt from the requirement to prepare group accounts.

For the whole of the current and prior year the company was a 100% subsidiary of BKW (Holdings) Limited. The ultimate controlling parties were Mr P E Baker and Mrs C J Baker.