

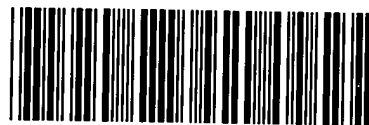
NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LIMITED)

Reports and Financial Statements

31 December 2015

Registered Number: 01390934

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COMPANIES HOUSE

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

COMPANY INFORMATION

DIRECTORS

G D Morgan
J C F Crawford
S Parker

SECRETARY

J C F Crawford

AUDITORS

Ernst & Young LLP
No. 1 Colmore Square
Birmingham
B4 6HQ

BANKERS

Barclays Bank Plc
54 High Street
Worcester
WR1 2QQ

REGISTERED OFFICE

10 Norwich Street
London
EC4A 1BD

TRADING ADDRESS

Fens Pool Avenue
Wallows Industrial Estate
Brierley Hill
West Midlands
DY5 1QA

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

STRATEGIC REPORT

The directors present their Strategic Report for the year ended 31 December 2015.

On 21 May 2015 the company changed its name to Nortek Global HVAC (UK) Ltd from Ambi-Rad Ltd. Also on this date the trade and assets of the company's subsidiary, Reznor (UK) Ltd, were transferred into the company for consideration of £1,491,482.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company in the year under review was the manufacture of energy efficient heating equipment.

Key performance indicators

The Directors consider the KPI's to be as follows

	2015	2014
	£	£
Turnover from continuing operations	25,612,036	21,972,726
Operating profit before operating exceptional items	1,774,713	1,854,931
as a % of turnover	7%	8%
Working capital	6,582,267	4,210,658

Turnover has increased, primarily due to the integration of the Reznor (UK) Ltd business from 23 May 2015 (the acquisition of Reznor (UK) Ltd increased turnover by £4,488,039.

Operating profit fell slightly despite an increase in turnover, due to £400,000 of additional direct labour spend in early 2015 as a result of disruption during product transfers to other group companies implemented in late 2014. Normal expenditure resumed in late 2015.

Working capital comprises of stocks and external trade debtors net of external trade creditors. Working capital requirements have increased, this was due to the integration of the Reznor (UK) Ltd business.

Exceptional costs in 2014 were incurred as a result of the closure of the Knighton factory, these included increased labour, stock losses and redundancy.

Continuous improvements of the products and systems is an ongoing focus for the company. Customer care and loyalty, allied to a broad range of products is a major strength of the business that will drive growth in the future.

The directors consider the state of affairs of the company to be very satisfactory for the period, in light of the circumstances, and the outlook for the business to be extremely favourable.

STRATEGIC REPORT (CONTINUED)

RISKS AND UNCERTAINTIES

Credit, Liquidity and Cash Flow

The company has a sizeable customer base and does not rely on any one of its customers. Accordingly, it has minimal exposure to a bad debt affecting its liquidity, cash flow or future prospects.

The company has policies in place that require appropriate credit checks on potential customers before sales are made. These credit checks are periodically updated using a specialist credit rating agency.

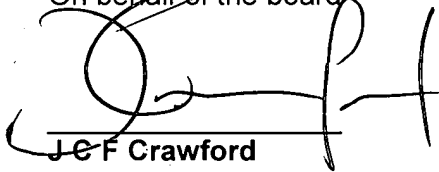
The company and group have sufficient cash balances and do not consider that it has any significant exposure to liquidity issues.

The company has no third party debt.

Foreign Currency

As the company deals in multiple currencies, it has exposure to fluctuations in exchange rates, these are naturally hedged as far as possible by offsetting sales and purchases. There are no external hedging arrangements.

On behalf of the board

A handwritten signature in black ink, appearing to be 'J & F Crawford', written over a horizontal line.

J & F Crawford

Director

29 September 2016

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

DIRECTORS' REPORT

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

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year and subsequent to the year-end are:

K W Donnelly	(resigned 12 September 2016)
M W Hughes	(appointed 16 December 2015, resigned 12 September 2016)
S Parker	(appointed 19 January 2016)
A C Hall	(resigned 16 December 2015)
G D Morgan	(appointed 12 September 2016)
J C F Crawford	(appointed 12 September 2016)

The Directors have no interests requiring disclosure under the Companies Act 2006.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £2,274,721 (2014: £3,162,505).

On 23 May 2015, the trade and assets of the Company's subsidiary, Reznor (UK) Limited, were transferred into the company for consideration of £1,491,482, representing the book value of assets acquired.

During the year an interim dividend of £500,000 (2014: £2,300,000) was received from Reznor (UK) Ltd and an interim dividend of £1,250,000 (2014: £5,795,159) was paid to the company's immediate parent undertaking Ambi-Rad Group Limited. The directors do not recommend the payment of a final dividend (2014: £nil).

GOING CONCERN

The directors consider that the company has adequate resources to continue in operation for the foreseeable future. In forming this view, the directors have reviewed budgets and other financial information. For this reason the directors' continue to adopt the going concern basis in preparing the accounts.

NAME CHANGE

On 21 May 2015 the company changed its name from Ambi-Rad Ltd to Nortek Global HVAC (UK) Ltd.

RESEARCH AND DEVELOPMENT

The company will continue its policy of investing in research and development in order to retain a competitive market position. During the year £519,611 (2014: £578,443) was spent on R&D.

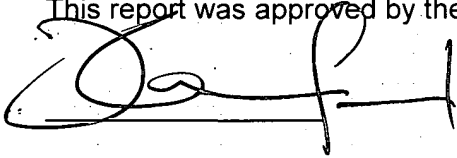
NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the board on 28 September 2016 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'J C F Crawford', is written over a horizontal line.

J C F Crawford
Director
29 September 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report, and the financial statements in accordance with applicable law and regulations including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 to 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

We have audited the financial statements of Nortek Global HVAC (UK) Limited (formerly Ambi-Rad Ltd) for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 21. 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 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 auditors

As explained more fully in the Statement of Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 Reports and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD) (CONTINUED)

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.

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.

Ernst & Young LLP

Lorna McNeil (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham

30 September 2016

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

Registered Number: 01390934

INCOME STATEMENT

For the year ended 31 December 2015

	Notes	2015 £	2014 £
TURNOVER	2	25,612,036	21,972,726
Cost of sales		<u>(15,999,130)</u>	<u>(13,453,002)</u>
GROSS PROFIT		9,612,906	8,519,724
Administration costs		<u>(7,838,193)</u>	<u>(6,664,793)</u>
OPERATING PROFIT BEFORE OPERATING EXCEPTIONAL ITEMS	3	1,774,713	1,854,931
Operating exceptional items	4	<u>-</u>	<u>(792,898)</u>
OPERATING PROFIT		1,774,713	1,062,033
Income from shares in group undertakings		500,000	2,300,000
Interest payable and similar charges	5	<u>(1,035)</u>	<u>(7,803)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,273,678	3,354,230
Tax on profit on ordinary activities	7	1,043	(191,725)
PROFIT FOR THE FINANCIAL YEAR		<u><u>2,274,721</u></u>	<u><u>3,162,505</u></u>

All amounts relate to continuing operations.

There are no amounts of other comprehensive income for 2015 or 2014 therefore no separate Statement of Other Comprehensive Income has been presented.

Total comprehensive income equates to the profit for the financial year.

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

STATEMENT OF FINANCIAL POSITION

at 31 December 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	8	1,516,911	1,601,837
Tangible assets	9	847,446	788,630
Investments	10	1	1
		<u>2,364,358</u>	<u>2,390,468</u>
CURRENT ASSETS			
Stocks and work in progress	11	4,181,233	2,287,930
Debtors	12	10,362,896	5,409,437
Cash at bank		804,089	1,368,756
		<u>15,348,218</u>	<u>9,066,123</u>
CREDITORS: amounts falling due within one year	13	(10,293,534)	(5,061,227)
NET CURRENT ASSETS		<u>5,054,684</u>	<u>4,004,896</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,419,042	6,395,364
PROVISIONS FOR LIABILITIES			
Deferred tax	14	(72,152)	(73,195)
NET ASSETS		<u>7,346,890</u>	<u>6,322,169</u>
CAPITAL AND RESERVES			
Called up share capital	16	50,000	50,000
Profit and loss account		7,296,890	6,272,169
EQUITY SHAREHOLDER'S FUNDS		<u>7,346,890</u>	<u>6,322,169</u>

These financial statements were approved on behalf of the Board on the date shown below.


J C F Crawford
Director

29 September 2016

The notes on pages 12 to 23 form part of these financial statements.

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

STATEMENT OF CHANGES IN EQUITY**at 31 December 2015**

	SHARE CAPITAL	RETAINED EARNINGS	TOTAL
Balance at 1 January 2014	50,000	8,904,823	8,954,823
Profit for the year	-	3,162,505	3,162,505
Dividends	-	(5,795,159)	(5,795,159)
Balance at 31 December 2014	50,000	6,272,169	6,322,169
Profit for the year	-	2,274,721	2,274,721
Dividends	-	(1,250,000)	(1,250,000)
Balance at 31 December 2015	50,000	7,296,890	7,346,890

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2015

1. ACCOUNTING POLICIES

Statement of compliance

Nortek Global HVAC (UK) Ltd is a limited liability company domiciled in England and Wales, registration number 01390934. The registered office is 10 Norwich Street, London, EC4A 1BD.

The accounts have been prepared in accordance with FRS 102 for the year ended 31 December 2015. The Group transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 21.

Disclosure exemptions

The company has taken the following disclosure exemptions under FRS 102:

- the requirements of Section 4 – Statement of Financial Position, paragraph 4.12(a)(iv) to disclose a reconciliation of the number of shares outstanding at the beginning and at the end of the period
- the requirements of Section 7 – Statement of Cash Flows – and Section 3 – Financial Statement Presentation, paragraph 3.17(d) to present a cash flow statement
- the requirements of Section 11, paragraphs 11.39 to 11.48A and Section 12, paragraphs 12.26 to 12.29A in relation to disclosure requirements of financial instruments
- the requirement of Section 33 – Related Party Disclosures, paragraph 33.7, to disclose key management personnel compensation

Accounting convention

The accounts have been prepared under the historical cost convention in accordance with applicable UK accounting standards. The financial statements are prepared in sterling which is the functional currency of the Company and are rounded to the nearest £. The financial statements present information about the Company as an individual undertaking and not as a group. The company has taken advantage of the exemption in section 400 of the Companies Act 2006 not to produce group financial statements as it is included in the group financial statements of Nortek Inc, a company incorporated in the USA (see note 20).

Fundamental accounting concept

The directors consider that the company has adequate resources to continue in operation for the foreseeable future. In forming this view, the directors have reviewed budgets and other financial information. For this reason they continue to adopt the going concern basis in preparing the accounts.

Fixed Asset Investments

Fixed asset investment are stated at cost. A provision for impairment is made for any permanent diminution in their value.

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2015

1. ACCOUNTING POLICIES (CONTINUED)

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value, as follows:

Work in progress and finished goods – cost of direct materials and labour plus attributable overheads

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Revenue recognition

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover is recognised on product sales on the delivery of goods.

Turnover is recognised on service sales at the time the service is rendered.

Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Income Statement over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	-	20 years straight line
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Other intangibles

Other intangibles comprises of trademarks and patents.

Amortisation is provided at the following rates:

Patents	-	20 years straight line
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Trademarks	-	20 years straight line
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Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Property improvements	-	10% - 15%
Plant	-	10% - 20%
Tooling	-	33%
Motor vehicles	-	20%
Fixtures & fittings	-	10% - 15%
Computer equipment	-	33%

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2015

1. ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling on that date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the Statement of Financial Position date.

Operating lease rentals

Rentals paid under operating leases are charged to the Income Statement on a straight-line basis over the term of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Pensions

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.

Contributions to defined contribution schemes are recognised in the Income Statement in the period in which they become payable.

Deferred taxation

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, or a right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is 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 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.

Research and development

Research and development expenditure is written off as incurred.

Key estimation uncertainty

There are no key estimation uncertainties

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2015

2. TURNOVER

The whole of the turnover and profit before tax is attributable to the principal activity of the company.

	2015 £	2014 £
Total Sale of Goods	24,388,355	20,859,126
Rendering of Services	1,223,681	1,113,600
	<u>25,612,036</u>	<u>21,972,726</u>

3. OPERATING PROFIT

This is stated after charging / (crediting):

	2015 £	2014 £
Auditors remuneration for audit services	73,000	40,004
Amortisation	84,926	58,192
Depreciation of fixed assets		
• owned by the company	269,267	173,507
• held under finance lease	-	21,746
Profit on sale of fixed assets	(5,583)	(13,183)
Operating lease rentals - land and buildings	458,929	512,992
Operating lease rentals - fixtures and fittings	40,579	87,049
Operating lease rentals - motor vehicles	220,785	190,252
Research & development	519,611	578,443
Foreign exchange differences	34,067	(54,214)

4. OPERATING EXCEPTIONAL ITEMS

The operating exceptional items relate to the costs associated with the closure of the Knighton site.

	2015 £	2014 £
Redundancy	-	256,451
Stock losses	-	191,000
Increased labour	-	115,837
Premises surrender deed	-	111,248
Removal and installation of equipment	-	48,918
Other costs relating to Knighton closure	-	69,444
	<u>-</u>	<u>792,898</u>

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**at 31 December 2015****5. INTEREST PAYABLE & SIMILAR CHARGES**

	2015 £	2014 £
Bank interest	1,035	4,284
Hire purchase interest	-	3,519
	<u>1,035</u>	<u>7,803</u>

6. DIRECTORS' REMUNERATION AND STAFF COSTS

Staff costs	2015 £	2014 £
Wages and salaries	5,518,901	5,471,058
Social security costs	593,121	546,457
Other pension costs (note 17)	122,802	96,768
	<u>6,234,824</u>	<u>6,114,283</u>

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

	2015 No.	2014 No.
Directors	-	-
Management and administration	34	34
Production and selling	171	161
	<u>205</u>	<u>195</u>

The directors are remunerated by other group companies. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the year. (2014: Nil)

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2015

7. TAXATION

Analysis of tax charge:	2015	2014
	£	£
UK corporation tax	-	218,400
Adjustments in respect of prior periods	-	(91,982)
Total current tax	-	126,418
Deferred tax (origination and reversal of timing differences)	(1,043)	25,255
Deferred tax (adjustments in respect of prior periods)	-	40,052
Total tax charge	(1,043)	191,725

Factors affecting current tax charge for the year

The tax charged on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%) The differences are reconciled below:

	2015	2014
	£	£
Profit on ordinary activities before tax	2,273,678	3,354,230
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	460,419	721,159
Expenses not deductible for tax purposes, other than Goodwill amortisation and impairment	6,717	24,881
Excess depreciation (over capital allowances)	9,489	-
Due to change in tax rate in the year	-	(371)
Dividend Income not taxable	(101,250)	(494,500)
Research and development relief	(3,641)	(7,614)
Other tax adjustments, reliefs and transfers	(20,781)	-
Group relief claim	(329,399)	-
Deferred tax not recognised	(22,597)	-
Adjustments in respect of prior periods	-	(51,830)
Total tax charge	(1,043)	191,725

The UK Government reduced the rate of corporation tax by 1% from 21% to 20% effective from 1 April 2015. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 20.25%. Further changes to the UK corporation tax rates were enacted in the Finance Act 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. In March 2016 the government announced the intention to reduce the rate to 17% by 2020 but this change has not been substantively enacted by the year end. The rate reduction to 18% was enacted during the current period. The company considers that the timing differences included in the deferred tax calculation will, for the most part, reverse after 1 April 2020 and therefore the deferred tax liability has been calculated using the 18% rate (2015 – 20%).

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2015

8. INTANGIBLE FIXED ASSETS

	Patents & Trademarks £	Goodwill £	Total £
Cost			
At 1 January 2015	1,698,533	75,002	1,773,535
Additions for the year	-	-	-
At 31 December 2015	1,698,533	75,002	1,773,535
Amortisation			
At 1 January 2015	96,696	75,002	171,698
Charge for the year	84,926	-	84,926
At 31 December 2015	181,622	75,002	256,624
Net book value			
At 31 December 2015	1,516,911	-	1,516,911
At 31 December 2014	1,601,837	-	1,601,837

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2015

9. TANGIBLE FIXED ASSETS

	Property Improvements	Plant & Machinery	Motor Vehicles	F/F & Computer Equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2015	213,643	983,625	188,468	733,860	2,119,596
Additions	18,587	171,759	-	103,343	293,689
Reznor UK Ltd additions	3,197	16,634	6,164	13,897	39,892
Disposals	(10,012)	(23,934)	(67,172)	(196,235)	(297,353)
At 31 December 2015	225,415	1,148,084	127,460	654,865	2,155,824
Depreciation					
At 1 January 2015	157,600	532,549	108,082	532,735	1,330,966
Charge for the year	17,726	98,682	24,083	128,776	269,269
On disposals	(10,012)	(21,474)	(62,954)	(197,415)	(291,855)
At 31 December 2015	165,314	609,757	69,211	464,096	1,308,378
Net book value					
At 31 December 2015	60,101	538,327	58,249	190,769	847,446
At 31 December 2014	56,043	451,076	80,386	201,125	788,630

10. INVESTMENTS

The company holds the following investments:

		2015 £	2014 £
Cost and Net Book Value		1	1
Company Name	Percentage Shareholding	Class of Shares	Nature of Business
Reznor (UK) Limited	100% Direct	Ordinary	Distribution of warm air heaters

On 23 May 2015 the trade and assets of Reznor (UK) Limited were purchased at cost by the Company. From this date Reznor (UK) Limited no longer traded.

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2015

11. STOCKS

	2015 £	2014 £
Raw materials	2,214,729	1,169,296
Work in progress	857,010	676,346
Finished goods	1,109,494	442,288
	<u>4,181,233</u>	<u>2,287,930</u>

The difference between purchase price of stock and their replacement cost is not material. Stock recognised as an expense in the period was £13,239,810 (2014: £10,549,196).

12. DEBTORS

	2015 £	2014 £
Trade debtors	6,816,355	4,687,939
Amounts owed by group undertakings	3,045,699	464,561
Other debtors	197,828	59,003
Prepayments and accrued income	303,014	197,934
	<u>10,362,896</u>	<u>5,409,437</u>

13. CREDITORS

Amounts falling due within one year.	2015 £	2014 £
Trade creditors	4,415,321	2,765,211
Amounts owed to group undertakings	2,930,976	806,837
Corporation tax	-	26,197
Other taxation and social security	1,553,628	499,689
Accrual and deferred income	1,393,609	963,293
	<u>10,293,534</u>	<u>5,061,227</u>

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**at 31 December 2015****14. DEFERRED TAXATION**

	2015	2014
	£	£
At beginning of year	(73,195)	(7,888)
Charged for year (P&L)	1,043	(25,255)
Adjustment in respect of prior periods (P&L)	-	(40,052)
At end of year	<u>(72,152)</u>	<u>(73,195)</u>

The deferred taxation balance is made up as follows:

	2015	2014
	£	£
Accelerated capital allowance	<u>(72,152)</u>	<u>(73,195)</u>

15. DIVIDENDS AND OTHER APPROPRIATIONS

	2015	2014
	£	£
Declared and paid during the year		
Interim dividend	<u>1,250,000</u>	<u>5,795,159</u>

16. SHARE CAPITAL

	2015	2014
	£	£
Allotted called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

17. PENSIONS COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the period was £122,802 (2014: £96,768). As at 31 December 2015 there is a creditor of £15,571 (2014: £13,937) in respect of outstanding pension contributions.

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2015

18. FINANCIAL COMMITMENTS

At 31 December 2015 the company had commitments under non-cancellable operating leases as set out below:

	2015 <i>Land & Buildings</i> £	2015 <i>Other</i> £	2014 <i>Land & Buildings</i> £	2014 <i>Other</i> £
Expiry date:				
Within 1 year	453,185	128,235	380,168	87,384
Between 2 and 5 years	1,787,824	83,576	1,481,006	78,456
After 5 years	390,000	-	510,000	-
Total	<u>2,631,009</u>	<u>211,811</u>	<u>2,371,174</u>	<u>165,840</u>

19. ACQUISITION OF REZNOR (UK) LIMITED

On 23 May 2015 the company acquired the trade and assets of Reznor (UK) Limited at book value. The consideration was £1,491,482, being an intercompany liability repayable on demand. Reznor (UK) Limited is based in Folkestone, UK and is a distributor of industrial heaters.

The transaction was a group reconstruction accounted for as a merger. The results of Reznor (UK) Limited have been included from 23 May 2015.

The assets and liabilities acquired were:

	2015 £
Current assets	2,632,349
Fixed assets	39,892
Current liabilities	(1,180,759)
	<u>1,491,482</u>

20. ULTIMATE HOLDING COMPANY

The immediate parent undertaking of Nortek Global HVAC (UK) Limited is Ambi-Rad Group Limited, a company incorporated in England and Wales.

Up until 31 August 2016 the ultimate parent undertaking and the controlling party of the group was Nortek Inc, a company incorporated in the USA. Nortek, Inc. is the smallest and largest group into which financial statements of the company are consolidated. The consolidated accounts of Nortek, Inc can be obtained from 500 Exchange Street, Providence, RI 02903.

From 1 September 2016 the ultimate parent undertaking and the controlling party of the group was Melrose Industries PLC, a company incorporated in the UK.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2015

21. TRANSITION TO FRS102

Nortek Global HVAC (UK) Ltd transitioned to FRS102 from the previously extant UK GAAP as at 1 January 2014, the following were affected:

There were no measurement or reclassification adjustments to the financial statements of Nortek Global HVAC (UK) Ltd as a result of the transition to FRS102.