

IDEAL INDUSTRIES LIMITED

Report and Financial Statements

For the year ended

31 December 2016

Company Number 01824671

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IDEAL INDUSTRIES LIMITED

Report and Financial Statements

For the year ended

31 December 2016

Company Number 01824671

IDEAL INDUSTRIES LIMITED

Report and financial statements for the year ended 31 December 2016

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Director

Carmelle Giblin

Registered office

Stokenchurch House
Oxford Road
Stokenchurch
High Wycombe
Buckinghamshire
HP14 3SX

Company number

01824671

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Bankers

HSBC Bank plc, 19 Midsummer Place, Milton Keynes, MK9 3GB

IDEAL INDUSTRIES LIMITED

Strategic report for the year ended 31 December 2016

The director presents the strategic report together with the audited financial statements for the year ended 31 December 2016.

Strategic review of the business

IDEAL INDUSTRIES Limited has continued to invest in product development across all of its divisions in 2016. This continued investment has enabled the company to focus on selling its own designed products. The company's revenue and operating profit has been adversely affected by the weakening of sterling. The company will be in a strong position to capitalise in 2017 as it introduced upgrades to products in the first half of 2017. The wider group is continuing to invest in channel access in both developed and developing markets, principally USA, China and India, which is anticipated to yield further benefits in 2017.

The director utilises various Key Performance Indicators in order to measure the performance of the business. These include order intake, sales, gross margins, operating profit, inventory turnover, cash and debtors days.

	2016 £000	2015 £000	Change
Turnover	22,527	19,113	17.9%
Gross profit %	45.7%	44.8%	0.9%
Operating Profit	3,862	1,524	153.4%
Cash at bank and in hand	2,485	7,909	-68.6%
Shareholders' funds	6,484	7,350	-11.8%

Principal risks and uncertainties

As with all trading businesses, the company is exposed to risks during the conduct of its normal business operations. Mitigation actions and strategies to reduce any potential impact are agreed and put in place wherever possible. The company maintains a range of insurance policies against major insurable risks including damage to property and equipment and employment. Whilst it is not possible to record or quantify every material risk within the company, below is a summary of the key risks the directors believe could have a material impact on the future performance and also how the risk has been mitigated.

Financial risk

The risks of this nature include the use of various financial instruments to raise finance for the company's operations. This includes amounts owed to group / parent companies, cash and other items such as trade debtors and trade creditors, that arise directly from its operations.

The key financial risks considered by the director are:

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably. The company selects bankers on recommendation from the ultimate parent company to ensure the cash is invested safely.

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is managed by the company monitoring the financial position of the counterparties involved. The principal credit risk arises from its trade debtors. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. This has resulted in minimal payment defaults during the year.

IDEAL INDUSTRIES LIMITED

Strategic report
for the year ended 31 December 2016 (*continued*)

Strategic risks

The risks of this nature include changes to the business environment with potentially significant effects on operations and business objectives including customer behavior, competitors, technology and also business channel specific risks.

Relevant economic and market indicators are reviewed by the senior management team on a regular basis. Customers and suppliers are subject to continuous review by the relevant team, and competitor activity is regularly reviewed by senior management.

Activities to maintain and strengthen the technological expertise within the company are constantly ongoing as the company recognises the need to maintain competitive technological position.

Operational risks

Operational risks comprise risks directly attributable to business operations and with a potential impact on the company's financial position and performance.

The key operational risks considered by the director include:

Supply chain

The risks are mitigated by ensuring that wherever possible key raw material or components required in production processes are available from multiple vendors. In cases where this is not possible adequate stocks are maintained to ensure continued availability.

Customer dependency

Risks are reduced because the receivables due from any individual customer are relatively small in relation to total trade receivables.

Internal control risks and financial reporting risks are addressed annually in the form of independent financial controls assessment that reports directly to the shareholders as well as a comprehensive systematic process for financial reporting.

Approval

The strategic report was approved by the order of the board on 29 SEPTEMBER 2017



Carmelle Giblin
Director

Company Registration Number: 01824871

IDEAL INDUSTRIES LIMITED

Report of the directors for the year ended 31 December 2016

The director has pleasure in submitting the report of the directors and audited financial statements for the year ended 31 December 2016.

Principal activity

IDEAL INDUSTRIES Limited is the UK trading company for IDEAL INDUSTRIES Holdings Limited.

The UK based divisions that are represented in these accounts are Casella Measurement, IDEAL INDUSTRIES Networks and Anderson Power Products.

Casella Measurement is principally engaged in the sale of environmental monitoring equipment and services. IDEAL INDUSTRIES Networks is principally engaged in the sale of equipment for use in the installation and maintenance of LAN/WAN networks. Anderson Power Products is principally engaged in the sale of electrical connectors.

Results and dividends

The results for the company show a profit after taxation of £3,321k for the year (2015 – profit after taxation of £1,659k).

During the year the company spent £1,472k (2015 - £1,751k) on research and development, and research and development tax credits of £95k (2015 - £211k) arose.

The director approved the payment of a final dividend of £4,187k, pre-year end (2015 - £Nil).

Directors

The directors who served during the year and to the date of this report were as follows:

Lee Thomas (resigned 31 January 2017)
Carmelle Giblin

Directors' Responsibilities Statement

The director is responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the director 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 laws). Under company law the director 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 profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

IDEAL INDUSTRIES LIMITED

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

In so far as the director is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

BDO LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of that Act.

By order of the board



Carmelle Giblin
Director

Date: 9/25/17

Company Registration Number: 01824671

IDEAL INDUSTRIES LIMITED

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IDEAL INDUSTRIES LIMITED

We have audited the financial statements of Ideal Industries Limited for the year ended 31 December 2016 which comprise the Statement of Total Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, 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).

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, 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 FRC'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 December 2016 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and director's report have been prepared in accordance with applicable legal requirements.

IDEAL INDUSTRIES LIMITED

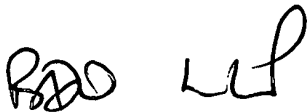
Independent auditor's report (*continued*)

Matters on which we are required to report by exception

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 material misstatements in the strategic report or the director's report.

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.



Gary Hanson (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London

United Kingdom

Date 29 September 2017

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

IDEAL INDUSTRIES LIMITED

Statement of total comprehensive income for year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Turnover	3	22,527	19,113
Cost of sales		(12,230)	(10,550)
Gross profit		10,297	8,563
Distribution costs		(2,592)	(2,192)
Administrative expenses		(3,843)	(4,847)
Operating profit	4	3,862	1,524
Interest payable and similar charges	7	(80)	(85)
Profit on ordinary activities before taxation		3,782	1,439
Taxation on profit on ordinary activities	8	(461)	220
Profit for the financial year		3,321	1,659
Other comprehensive income for the year		-	-
Total comprehensive income for the year		3,321	1,659

All amounts relate to continuing activities.

The notes on pages 10 to 20 form part of these financial statements.

IDEAL INDUSTRIES LIMITED

Statement of financial position at 31 December 2016

	Note	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Fixed assets					
Tangible assets	9		748		820
			<u>748</u>		<u>820</u>
Current assets					
Stocks	10	2,350		1,959	
Debtors	12	4,668		3,921	
Cash at bank and in hand		2,485		7,909	
		<u>9,503</u>		<u>13,789</u>	
Creditors: amounts falling due within one year	13	<u>(3,767)</u>		<u>(7,259)</u>	
Net current assets			<u>5,736</u>		<u>6,530</u>
Total assets less current liabilities, being net assets			<u>6,484</u>		<u>7,350</u>
Capital and reserves					
Called up share capital	16		2,025		2,025
Profit and loss account			4,459		5,325
			<u>6,484</u>		<u>7,350</u>
Shareholder's funds					

The financial statements were approved by the Board of Directors and authorised for issue on 29 SEPTEMBER 2017


Carmella Giblin
Director

Company Registration Number 01824671

The notes on pages 10 to 20 form part of these financial statements.

IDEAL INDUSTRIES LIMITED

Statement of changes in equity for the year ended 31 December 2016

	Share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2015	2,025	3,666	5,691
<i>Comprehensive profit for the year:</i>			
Profit for the year	-	1,659	1,659
Profit and total comprehensive income for the year	-	1,659	1,659
Balance at 31 December 2015	2,025	5,325	7,350
<i>Comprehensive profit for the year:</i>			
Profit for the year	-	3,321	3,321
Profit and total comprehensive income for the year	-	3,321	3,321
Contributions by and distributions to owners			
Dividends	-	(4,187)	(4,187)
Total contributions by and distributions to owners	-	(4,187)	(4,187)
Balance at 31 December 2016	2,025	4,459	6,484

The notes on pages 10 to 20 form part of these financial statements.

IDEAL INDUSTRIES LIMITED

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

1 Accounting policies

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

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

Cash flow statement

The company has taken advantage of the exemption from preparing a Statement of Cash Flow in preparing these financial statements, as permitted by FRS 102 for qualifying entities.

The following principal accounting policies have been applied:

Going concern

The directors have reviewed the position of the company and forecast future trading. Based on this review and appropriate enquiries made of the ultimate parent undertaking, the directors believe the company will have sufficient resources for a period of at least twelve months from the date of signing these financial statements to meet its liabilities as they fall due and as such the financial statements are prepared on a going concern basis.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have transferred to the buyer, which may be upon shipment, completion of the product or, in rare cases, the product being ready for delivery, based on specific contract terms.

Revenue from services provided by the company is recognised when the company has performed its obligations and in exchange obtained the right to consideration.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation

Assets are measured at depreciated historical cost. Depreciation is provided to write off the cost of the tangible fixed assets, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Fixtures and fittings	- 2 to 10 years
Computer equipment	- 2 to 10 years
Leasehold improvements	- over the period of the lease
Plant and equipment	- 2 to 10 years

IDEAL INDUSTRIES LIMITED

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

1 Accounting policies (*continued*)

Depreciation (continued)

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 the statement of comprehensive income.

Stocks

Stocks are stated at the lower of cost and net realisable value, after provisions are made in respect of obsolete and slow moving items on a category-by-category basis.

Cost of raw materials, consumables and goods for resale is based on purchased cost on a first-in, first-out basis.

Cost of finished goods is based on the cost of direct materials on a first-in, first-out basis.

Net realisable value is the estimated selling price less all further costs to complete and sell.

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.

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.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

Research and development costs

In the research and development phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense on the statement of total comprehensive income in the period in which it is incurred.

Operating leases

All leases are operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 January 2014) to continue to be charged over the period to the first market rent review rather than the term of lease.

For leases entered into on or after 1 January 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

IDEAL INDUSTRIES LIMITED

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

1 Accounting policies *(continued)*

Holiday pay accrual

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

Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the financial reporting date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Pension costs

The company operates a defined contribution scheme and the pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Foreign currency translation

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the start of each month in which the transactions occurred. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

IDEAL INDUSTRIES LIMITED

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

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

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results.

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the director has made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether leases entered into by the group as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 9)*

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 (see note 10)*

Stock held is reviewed for impairment on an annual basis and provision made for any items where there is uncertainty that they can be sold. Judgement is made as to whether the stock is slow and obsolete and impaired accordingly.

- *Deferred tax (see note 11)*

Unrelieved taxation losses are reviewed on an annual basis and assessed on consistent, past performance of taxable profits earned in the relevant trades for which deferred tax assets would be recognised.

- *Creditors, provisions and liabilities (see note 13)*

These are recognised at the financial reporting date and include amounts for accrued holiday pay, management and employee incentives. Although these amounts are reviewed on a regular basis and adjusted to reflect management's best current estimates, the judgemental nature of these items means that future amounts settled may be different from those provided.

IDEAL INDUSTRIES LIMITED

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

3 Analysis of turnover

	2016 £'000	2015 £'000
Analysis of turnover by country of destination:		
United Kingdom	6,104	5,760
Rest of Europe	10,441	6,509
Rest of the world	5,982	6,844
	<u>22,527</u>	<u>19,113</u>

4 Operating profit

	2016 £'000	2015 £'000
This is arrived at after charging/(crediting):		
Research and development		
- current year's expenditure	1,472	1,751
- R&D tax credits	(95)	(211)
Depreciation of tangible fixed assets	329	291
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	69	77
Exchange differences	(469)	211
Hire of plant and machinery (excluding operating leases)	19	8
Other operating lease rentals	446	466
	<u></u>	<u></u>

IDEAL INDUSTRIES LIMITED

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

5 Employees

	2016 £'000	2015 £'000
Staff costs (including directors) consist of:		
Wages and salaries	4,047	4,081
Social security costs	445	447
Cost of defined contribution scheme	310	326
	<u>4,802</u>	<u>4,854</u>

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

	2016 Number	2015 Number
Production	21	26
Design and Development	23	28
Sales and marketing	29	29
Administration	24	18
	<u>97</u>	<u>101</u>

6 Directors' remuneration

	2016 £'000	2015 £'000
Directors' emoluments	138	175
Company contributions to money purchase pension schemes	14	17
	<u>152</u>	<u>192</u>

There was 1 director participating in the company's money purchase pension schemes (2015 - 2).

Emoluments of the highest paid director were £138k (2015 - £129k). Company pension contributions of £14k (2015 - £12k) were made to a money purchase scheme on their behalf.

Key management personnel during the year are considered to include only the directors of the company who together have the authority and responsibility for planning, directing and controlling the activities of the company.

IDEAL INDUSTRIES LIMITED

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

7 Interest payable and similar charges

	2016 £'000	2015 £'000
Interest payable to related parties	80	85
	<u>80</u>	<u>85</u>

8 Taxation on profit on ordinary activities

	2016 £'000	2016 £'000	2015 £'000	2015 £'000
<i>UK corporation tax</i>				
Current tax on profits of the year	256		93	
Adjustment in respect of previous periods	-		15	
	<u></u>		<u></u>	
Total current tax		256		108
<i>Deferred tax</i>				
Origination and reversal of timing differences	205		(328)	
	<u></u>	205	<u></u>	(328)
Taxation on profit on ordinary activities		<u>461</u>		<u>(220)</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	<u>3,782</u>	<u>1,439</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2015 – 20.25%)	756	292
Effects of:		
Expenses not deductible for tax purposes	3	1
R&D expenditure credits	-	(22)
Group Relief Claim	(1)	-
Adjustment of tax in respect of prior periods	-	15
Adjustment to deferred tax in respect to changes in tax rates	92	332
Deferred tax not recognised	(389)	(838)
	<u></u>	<u></u>
Total tax charge/(credit) for period	<u>461</u>	<u>(220)</u>

IDEAL INDUSTRIES LIMITED

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

9 Tangible fixed assets

	Fixtures and fittings £'000	Computer equipment £'000	Leasehold improvements £'000	Plant and equipment £'000	Total £'000
<i>Cost</i>					
At 1 January 2016	724	570	174	849	2,317
Additions	-	25	-	232	257
Disposals	(2)	(6)	-	-	(8)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	722	589	174	1,081	2,566
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 January 2016	488	390	150	469	1,497
Provision for year	80	78	23	148	329
Disposals	(2)	(6)	-	-	(8)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	566	462	173	617	1,818
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 December 2016	156	127	1	464	748
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	236	180	24	380	820
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

10 Stocks

	2016 £'000	2015 £'000
Raw materials and consumables	269	88
Finished goods	2,081	1,871
	<hr/>	<hr/>
	2,350	1,959
	<hr/>	<hr/>

The value of stocks charged in the year to cost of sales was £11,252k (2015 - £9,618k).

IDEAL INDUSTRIES LIMITED

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

11 Deferred Taxation

Unrelieved taxation losses remain available to offset against future taxable profits of the same trade to which the losses originate. The directors believe it is appropriate to recognise a deferred tax asset in these financial statements as the company demonstrates consistent taxable profits in its environmental monitoring trade and as such a deferred tax asset of £123k (2015 - £328k) has been recognised in the year. The directors do not believe it is appropriate to recognise a deferred tax asset in these financial statements for the other relevant trades of the company until consistent taxable profits are achieved in the relevant trades. Should suitable taxable profits arise, these losses would represent a deferred tax asset of approximately £2.5m (2015 - £2.5m) at a corporation tax rate of 17.0% (2015 - 18.0%).

Deferred tax assets

	2016 £'000	2015 £'000
At 1 January 2016	328	-
(Charged)/credited to profit or loss	(205)	328
At 31 December 2016	123	328

12 Debtors

	2016 £'000	2015 £'000
Trade debtors	2,611	2,254
Amounts owed to group undertakings	1,080	708
Corporation tax	-	22
Deferred tax (see note 11)	123	328
Research and Development tax credit	95	-
Other taxes	470	279
Prepayments and accrued income	289	330
	4,668	3,921

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

13 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Bank loans and overdrafts	-	423
Trade creditors	961	1,011
Amounts owing to group undertakings	976	4,675
Social security and payroll taxes	67	97
Corporation tax	256	-
Accruals and deferred income	1,507	1,053
	3,767	7,259

IDEAL INDUSTRIES LIMITED

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

14 Financial instruments

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

	2016 £'000	2015 £'000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	6,464	11,201
Financial liabilities		
Financial liabilities measured at amortised cost	1,937	6,109

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, and amounts owed to group undertakings.

15 Pensions

Defined contribution scheme

The amount recognised in the profit and loss account as an expense in relation to the company's defined contribution schemes is £310k (2015 - £326k). There were no amounts owing at the year end (2015 - £nil).

16 Share capital

	2016 £'000	2015 £'000
<i>Issued, called up and fully paid</i>		
2,024,742 ordinary shares of £1 each	2,025	2,025

17 Commitments

Operating Leases

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

	2016 £'000	2015 £'000
Not later than 1 year	441	479
Later than 1 year and not later than 5 years	705	728
Total	1,146	1,207

Capital Commitments

The company had £7k (2015 - £199k) of capital commitments contracted but not provided as at 31 December 2016.

IDEAL INDUSTRIES LIMITED

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

18 Related party disclosures

The ultimate parent company of the company is IDEAL INDUSTRIES Inc., registered in the United States, which owns IDEAL INDUSTRIES Holdings Limited, the immediate parent of the company. IDEAL INDUSTRIES Holdings Limited owns the entire share capital of the company.

The largest group of undertakings for which consolidated financial statements have been drawn up is that headed by IDEAL INDUSTRIES Inc. and the smallest group of undertakings for which consolidated financial statements have been drawn up, including the company, is that headed by IDEAL INDUSTRIES Holdings Limited, a company incorporated in England and Wales. Copies of IDEAL INDUSTRIES Holdings Limited financial statements are available from Companies House.