

ABLE INSTRUMENTS AND CONTROLS LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015



AGHS Accounting & Taxation Services Limited
Chartered Accountants and
Statutory Auditors
14 Progress Business Centre
Whittle Parkway
Slough
Berkshire
SL1 6DQ

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FOR THE YEAR ENDED 31 DECEMBER 2015

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ABLE INSTRUMENTS AND CONTROLS LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2015

DIRECTOR: M J Shortall

SECRETARY: Mrs S V Shortall

REGISTERED OFFICE: Cutbush Park
Danehill
Lower Earley
Reading
Berkshire
RG6 4UT

REGISTERED NUMBER: 01851002 (England and Wales)

AUDITORS: AGHS Accounting & Taxation Services Limited
Chartered Accountants and
Statutory Auditors
14 Progress Business Centre
Whittle Parkway
Slough
Berkshire
SL1 6DQ

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents his strategic report for the year ended 31 December 2015.

The results of the year and financial position of the company at year-end are shown in the financial statements and are considered robust in an economy emerging from recession and an environment of falling oil prices.

REVIEW OF BUSINESS

2015 marked our 30th year in business and also saw the cumulative impact of the global reduction in oil and gas capital expenditure, but despite this the business showed resilience due to our diverse customer base. A concentration on improving margins saw our average gross profit increase in our core area even corrected for the dilution effect of the large lower margin EPC contracts which were missing from 2015.

Despite general market conditions the future outlook is looking very positive with a major EPC award in December which will be worth several £million in products and services over 2017/18. In addition the company continues its investment in Intellectual Property with pending patents on multiphase, exploration and drilling mass metering innovations.

As part of the company's diversification strategy, the launch of Able's new e-commerce Business to Business web store during the year has helped to improve the company's penetration of the instrument component market.

Key Performance Indicators identified were the decrease in turnover by 20.9% (2014: decrease of 4.1%), discussed above, and the increase in gross profit margin to 51.6% (2014: 47.4%), highlighting the strength of the company's core business.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's operations expose it to a variety of risks and uncertainties including competition, demand for the company's goods and services through industry-wide trends and the general state of the economy.

The company is also subject to financial risks including interest rate risks and credit risk. Interest rate risks exist in respect of the company's exposure to bank loans and other borrowings. These are mitigated by careful management of the levels of borrowing.

Credit risk exists in respect of the recoverability of trade debts, but this is mitigated by an active credit control process and as a result the company's bad debts over recent years have been minimal.

ON BEHALF OF THE BOARD:



M J Shortall - Director

Date: 30 September 2016

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents his report with the financial statements of the company for the year ended 31 December 2015.

DIVIDENDS

Dividends of £105,000 were paid during the year.

DIRECTOR

M J Shortall held office during the whole of the period from 1 January 2015 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director 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 director has 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 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 of the 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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; and
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements.

The director is 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.

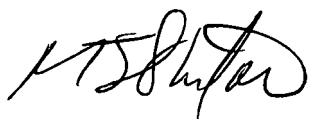
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Under the Companies Act 2006, the appointment of the auditors, AGHS Accounting & Taxation Services Limited, is deemed without the need of an Annual General Meeting.

ON BEHALF OF THE BOARD:



M J Shortall - Director

Date: 30 September 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ABLE INSTRUMENTS AND CONTROLS LIMITED

We have audited the financial statements of Able Instruments And Controls Limited for the year ended 31 December 2015 on pages six to twenty five. 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 Financial Reporting Standard 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 a Report of the Auditors 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Director 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ABLE INSTRUMENTS AND CONTROLS LIMITED**

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Richard Parsons.

Richard Parsons (Senior Statutory Auditor)
for and on behalf of AGHS Accounting & Taxation Services Limited
Chartered Accountants and
Statutory Auditors
14 Progress Business Centre
Whittle Parkway
Slough
Berkshire
SL1 6DQ

Date: 30 September 2016

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	31.12.15 £	31.12.14 £
TURNOVER	3	7,583,109	9,585,381
Cost of sales		<u>3,612,347</u>	<u>5,040,987</u>
GROSS PROFIT		3,970,762	4,544,394
Administrative expenses		<u>3,437,528</u>	<u>3,762,190</u>
		533,234	782,204
Other operating income	4	<u>10,462</u>	<u>125,483</u>
OPERATING PROFIT	6	543,696	907,687
Interest receivable and similar income		<u>44,571</u>	<u>48,882</u>
		588,267	956,569
Amounts written off investments	7	<u>78,482</u>	<u>-</u>
		509,785	956,569
Interest payable and similar charges	8	<u>49,013</u>	<u>39,706</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		460,772	916,863
Tax on profit on ordinary activities	9	<u>8,577</u>	<u>60,187</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>452,195</u></u>	<u><u>856,676</u></u>

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	31.12.15 £	31.12.14 £
PROFIT FOR THE YEAR		452,195	856,676
OTHER COMPREHENSIVE INCOME			
Unrealised surplus on revaluation of properties		-	820,438
Income tax relating to other comprehensive income		<u>8,564</u>	<u>(91,468)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>8,564</u>	<u>728,970</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>460,759</u></u>	<u><u>1,585,646</u></u>

BALANCE SHEET
31 DECEMBER 2015

	Notes	31.12.15 £	31.12.14 £
FIXED ASSETS			
Tangible assets	11	3,922,112	4,099,360
Investments	12	<u>571,518</u>	<u>650,000</u>
		4,493,630	4,749,360
CURRENT ASSETS			
Stocks	13	1,102,225	835,694
Debtors	14	3,799,858	1,965,455
Investments	15	10,000	10,000
Cash at bank		<u>1,001,315</u>	<u>2,051,684</u>
		5,913,398	4,862,833
CREDITORS			
Amounts falling due within one year	16	<u>2,549,092</u>	<u>2,017,673</u>
NET CURRENT ASSETS		<u>3,364,306</u>	<u>2,845,160</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,857,936	7,594,520
CREDITORS			
Amounts falling due after more than one year	17	(1,161,918)	(1,232,853)
PROVISIONS FOR LIABILITIES	20	<u>(190,444)</u>	<u>(211,852)</u>
NET ASSETS		<u>6,505,574</u>	<u>6,149,815</u>
CAPITAL AND RESERVES			
Called up share capital	21	12,750	12,750
Revaluation reserve	22	1,126,725	1,118,161
Retained earnings	22	<u>5,366,099</u>	<u>5,018,904</u>
SHAREHOLDERS' FUNDS		<u>6,505,574</u>	<u>6,149,815</u>

The financial statements were approved by the director on 30 September 2016 and were signed by:



M J Shortall - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2014	12,750	4,267,228	389,191	4,669,169
Changes in equity				
Dividends	-	(105,000)	-	(105,000)
Total comprehensive income	<u>-</u>	<u>856,676</u>	<u>728,970</u>	<u>1,585,646</u>
Balance at 31 December 2014	<u>12,750</u>	<u>5,018,904</u>	<u>1,118,161</u>	<u>6,149,815</u>
Changes in equity				
Dividends	-	(105,000)	-	(105,000)
Total comprehensive income	<u>-</u>	<u>452,195</u>	<u>8,564</u>	<u>460,759</u>
Balance at 31 December 2015	<u>12,750</u>	<u>5,366,099</u>	<u>1,126,725</u>	<u>6,505,574</u>

The notes form part of these financial statements

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

1. COMPANY INFORMATION

Able Instruments and Controls Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Cutbush Park Danehill, Lower Earley, Reading, Berks, RG6 4UT.

The company's primary activity is that of assembly, testing, calibration and sale of industrial instruments.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in pounds sterling, which is the functional currency of the company.

This is the first year in which the financial statements have been prepared under FRS 102. The date of transition to FRS 102 was 1 January 2014. Note 29 describes the impact on the company's reported profit and loss and equity from transition to FRS 102.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Able Instruments And Controls Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Halwell Trading Limited, a company registered in England and Wales.

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

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgement and estimates have been made include:

a - Critical judgements in applying accounting policies

There are no critical judgements (apart from those involving estimates) that have had a significant effect on amounts recognised in the financial statements.

b - Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have the most significant potential impact upon the carrying values of assets and liabilities within the next financial year are as follows;

i) Useful economic lives of tangible fixed assets

The useful economic lives used by the Company in respect of tangible fixed assets are set out in the accounting policies. These estimates are the best estimate based on past experience and expected performance and are regularly reviewed to ensure they remain appropriate. The net book value of tangible fixed assets as at 31 December 2015 was £3,922,112 after a depreciation charge in the period of £221,193.

ii) Property valuation

The valuation of the Company's freehold property is inherently subjective due to, among other factors, the individual nature of each property, its location and its condition. As a result, the valuations the Company places on its properties are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the property market.

The valuations contain a number of assumptions upon which the Company's valuer has based their valuations, including matters such as ground conditions, the structural conditions and comparable market transactions.

The market value of the Group's properties, as determined by the director, was £3,270,000 (2014: £3,270,000). The original cost of these properties was £2,414,333 (2014: £2,414,333).

iii) Stock

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate. The value of stock as at 31 December 2015 was £1,102,225.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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

2. ACCOUNTING POLICIES - continued

Revenue recognition

Turnover from the sale of goods and services is measured at the fair value of consideration receivable, net of discounts.

Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured. In practice this means that revenue is recognised when equipment or parts are invoiced and physically dispatched or when the service has been undertaken.

Tangible fixed assets

Depreciation is provided for at the following annual rates in order to write down each asset over its estimated useful life.

Freehold property	- 2% on cost of buildings
Long leasehold property	- 2% on cost of buildings
Plant and machinery	- At various rates between 5% and 10% on cost
Fixtures, fittings and office equipment	- At various rates between 3% and 20% on cost
Motor vehicles	- At various rates between 14.28% and 20% on cost

Stocks

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

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if the company has a legally enforceable right to set off current tax assets against current tax liabilities.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Monetary assets and liabilities denoted in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank. Bank overdrafts are shown within borrowings in current liabilities.

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

2. 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 income statement 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.

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors or creditors, are measured, initially and subsequently, at the undiscounted amount of the cash and other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

Provisions for liabilities

A provision is recognised in the Balance Sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.12.15	31.12.14
	£	£
Equipment supply/installation	6,067,401	7,728,250
Servicing, maintenance etc	<u>1,515,708</u>	<u>1,857,131</u>
	<u>7,583,109</u>	<u>9,585,381</u>

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

3. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	31.12.15	31.12.14
	£	£
United Kingdom	5,907,211	5,702,845
Europe	117,248	185,956
Rest of World	<u>1,558,650</u>	<u>3,696,580</u>
	<u>7,583,109</u>	<u>9,585,381</u>

4. OTHER OPERATING INCOME

	31.12.15	31.12.14
	£	£
Profit on foreign exchange	<u>10,462</u>	<u>125,483</u>

5. STAFF COSTS

	31.12.15	31.12.14
	£	£
Wages and salaries	1,953,218	2,156,916
Social security costs	<u>223,351</u>	<u>259,252</u>
	<u>2,176,569</u>	<u>2,416,168</u>

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

	31.12.15	31.12.14
Administration	15	16
Production and servicing	15	15
Sales	<u>17</u>	<u>17</u>
	<u>47</u>	<u>48</u>

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.15	31.12.14
	£	£
Depreciation - owned assets	221,193	218,941
(Profit)/loss on disposal of fixed assets	(11,386)	527
Auditors' remuneration	16,000	16,000
Auditors' remuneration for non audit work	2,000	2,000
Research and development	<u>452,586</u>	<u>543,473</u>
Director's remuneration	<u>30,000</u>	<u>30,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015****7. AMOUNTS WRITTEN OFF INVESTMENTS**

	31.12.15	31.12.14
	£	£
Amounts written off investments	<u>78,482</u>	<u>-</u>

Amounts written off relate to the company's holding in Vilamoura Charters LLP, as disclosed in note 12.

8. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.15	31.12.14
	£	£
Bank interest	46,371	37,319
Other interest	563	-
Hire purchase and leasing interest	<u>2,079</u>	<u>2,387</u>
	<u>49,013</u>	<u>39,706</u>

9. TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.15	31.12.14
	£	£
Current tax:		
UK corporation tax	28,535	68,175
Adjustments in respect of previous years	<u>(7,114)</u>	<u>-</u>
Total current tax	21,421	68,175
Deferred tax	<u>(12,844)</u>	<u>(7,988)</u>
Tax on profit on ordinary activities	<u>8,577</u>	<u>60,187</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.15	31.12.14
	£	£
Profit on ordinary activities before tax	<u>460,772</u>	<u>916,863</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 20.206%)	92,154	185,261
Effects of:		
Expenses not deductible for tax purposes	42,419	23,238
Adjustments to tax charge in respect of previous periods	(7,114)	-
Enhanced relief for research and development	(113,147)	(137,267)
Effect of change in tax rate on deferred tax	<u>(5,735)</u>	<u>(11,045)</u>
Total tax charge	<u>8,577</u>	<u>60,187</u>

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

9. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	Gross £	31.12.15 Tax £	Net £
Unrealised surplus on revaluation of properties	-	8,564	8,564
	<u>-</u>	<u>8,564</u>	<u>8,564</u>

	Gross £	31.12.14 Tax £	Net £
Unrealised surplus on revaluation of properties	820,438	(91,468)	728,970
	<u>820,438</u>	<u>(91,468)</u>	<u>728,970</u>

10. DIVIDENDS

	31.12.15 £	31.12.14 £
Ordinary shares of £1 each		
Interim	<u>105,000</u>	<u>105,000</u>

11. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £
COST OR VALUATION			
At 1 January 2015	1,820,000	1,450,000	306,636
Additions	-	-	5,904
At 31 December 2015	<u>1,820,000</u>	<u>1,450,000</u>	<u>312,540</u>
DEPRECIATION			
At 1 January 2015	-	-	240,528
Charge for year	40,109	19,865	21,595
Eliminated on disposal	-	-	-
At 31 December 2015	<u>40,109</u>	<u>19,865</u>	<u>262,123</u>
NET BOOK VALUE			
At 31 December 2015	<u>1,779,891</u>	<u>1,430,135</u>	<u>50,417</u>
At 31 December 2014	<u>1,820,000</u>	<u>1,450,000</u>	<u>66,108</u>

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

11. TANGIBLE FIXED ASSETS - continued

	Fixtures, fittings and office equipment £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2015	1,434,190	616,772	5,627,598
Additions	108,880	-	114,784
Disposals	(550)	(227,679)	(228,229)
At 31 December 2015	<u>1,542,520</u>	<u>389,093</u>	<u>5,514,153</u>
DEPRECIATION			
At 1 January 2015	967,693	320,017	1,528,238
Charge for year	74,174	65,450	221,193
Eliminated on disposal	(550)	(156,840)	(157,390)
At 31 December 2015	<u>1,041,317</u>	<u>228,627</u>	<u>1,592,041</u>
NET BOOK VALUE			
At 31 December 2015	<u>501,203</u>	<u>160,466</u>	<u>3,922,112</u>
At 31 December 2014	<u>466,497</u>	<u>296,755</u>	<u>4,099,360</u>

Cost or valuation at 31 December 2015 is represented by:

	Freehold property £	Long leasehold £	Plant and machinery £
Valuation in 2012	135,987	-	-
Valuation in 2014	252,528	467,152	-
Cost	<u>1,431,485</u>	<u>982,848</u>	<u>312,540</u>
	<u>1,820,000</u>	<u>1,450,000</u>	<u>312,540</u>

	Fixtures, fittings and office equipment £	Motor vehicles £	Totals £
Valuation in 2012	-	-	135,987
Valuation in 2014	-	-	719,680
Cost	<u>1,542,520</u>	<u>389,093</u>	<u>4,658,486</u>
	<u>1,542,520</u>	<u>389,093</u>	<u>5,514,153</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015****11. TANGIBLE FIXED ASSETS - continued**

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	31.12.15 £	31.12.14 £
Cost	<u>1,431,486</u>	<u>1,431,486</u>
Aggregate depreciation	<u>328,874</u>	<u>309,957</u>
Value of land in freehold land and buildings	<u>485,612</u>	<u>485,612</u>

Freehold and Long Leasehold land and buildings were valued on an open market basis as at 31 December 2014 by the director, Mr M Shortall. Open market values were not considered to have changed materially in the year to 31 December 2015.

The net book value of assets held under finance lease was nil (2014 - nil).

12. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2015	650,000
Impairments	<u>(78,482)</u>
At 31 December 2015	<u>571,518</u>
NET BOOK VALUE	
At 31 December 2015	<u>571,518</u>
At 31 December 2014	<u>650,000</u>

The company acquired 97% interest in Vilamoura Charters LLP on 9 December 2014.

The company's investment at the Balance Sheet date in Vilamoura Charters LLP include the following:

Country of incorporation: England and Wales

Nature of business: Yacht charter

Member's interest: 97%

Total members' interests as at 31 December 2015: £551,731

Loss for the period ended 31 December 2015: £96,630.

During the year ended 31 December 2015 the company recognised an impairment loss of £78,482 due to the LLP's loss-making position. The company also recognised a bad debt charge of £30,895 in respect of amounts due from the LLP.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015****13. STOCKS**

	31.12.15	31.12.14
	£	£
Finished goods and goods for resale	<u>1,102,225</u>	<u>835,694</u>

Stock recognised in cost of sales during the year as an expense was £3,673,216 (2014 - £5,040,987).

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.15	31.12.14
	£	£
Trade debtors	1,395,539	935,650
Amounts owed by group undertakings	245,881	245,881
Other debtors	64,957	43,053
Director's current account	1,633,795	543,005
Tax	408,449	135,751
Prepayments and accrued income	<u>51,237</u>	<u>62,115</u>
	<u>3,799,858</u>	<u>1,965,455</u>

15. CURRENT ASSET INVESTMENTS

	31.12.15	31.12.14
	£	£
Unlisted investments	<u>10,000</u>	<u>10,000</u>

The unlisted investments are valued at cost less impairment.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.15	31.12.14
	£	£
Bank loans and overdrafts (see note 18)	84,725	65,076
Payments received on account	268,289	249,366
Trade creditors	1,498,130	940,103
Corporation tax	177,998	172,690
Other taxes and social security	136,618	132,794
Other creditors	138,883	128,597
Accruals and deferred income	<u>244,449</u>	<u>329,047</u>
	<u>2,549,092</u>	<u>2,017,673</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.15	31.12.14
	£	£
Bank loans (see note 18)	<u>1,161,918</u>	<u>1,232,853</u>

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

18. LOANS

An analysis of the maturity of loans is given below:

	31.12.15 £	31.12.14 £
Amounts falling due within one year or on demand:		
Bank overdrafts	14,849	-
Bank loans	<u>69,876</u>	<u>65,076</u>
	<u>84,725</u>	<u>65,076</u>
Amounts falling due between one and two years:		
Bank loans	<u>986,765</u>	<u>70,644</u>
Amounts falling due between two and five years:		
Bank loans	<u>124,483</u>	<u>1,066,121</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>50,670</u>	<u>96,088</u>

The bank loans are secured on freehold and leasehold properties.

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.15 £	31.12.14 £
Within one year	45,928	19,570
Between one and five years	<u>105,193</u>	<u>97,397</u>
	<u>151,121</u>	<u>116,967</u>

20. PROVISIONS FOR LIABILITIES

	31.12.15 £	31.12.14 £
Deferred tax	<u>190,444</u>	<u>211,852</u>
		Deferred tax £
Balance at 1 January 2015		
As previously reported		120,384
Prior year adjustment		<u>91,468</u>
As restated		211,852
Movement during year		<u>(21,408)</u>
Balance at 31 December 2015		<u>190,444</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015****20. PROVISIONS FOR LIABILITIES - continued**

Deferred tax arises from accelerated tax allowances on tangible fixed assets. The deferred tax balance at 1 January 2015 has been restated as a result of transition to FRS 102, as explained further in note 29.

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	31.12.15 £	31.12.14 £
12,750	Ordinary		<u>12,750</u>	<u>12,750</u>

22. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2015	5,018,904	1,118,161	6,137,065
Profit for the year	452,195		452,195
Dividends	(105,000)		(105,000)
Deferred tax movement	-	8,564	8,564
At 31 December 2015	<u>5,366,099</u>	<u>1,126,725</u>	<u>6,492,824</u>

23. PENSION COMMITMENTS

The company contributes to a defined contribution pension scheme for eligible employees. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge for the year of £3,936 (2014 - £nil) represents contributions payable by the company to the scheme. Contributions totalling £771 (2014 - £nil) were payable to the scheme at the year end and are included in creditors.

24. ULTIMATE PARENT COMPANY

The ultimate parent company is Halwell Trading Limited which own 100% of the shares in the company.

25. CONTINGENT LIABILITIES

The company had contingent liabilities of £5,000 (31 December 2014 - £5,000) in respect of HM Customs & Excise duty deferment, £44,000 (31 December 2014 - £44,000) in respect of a guarantee to the Environment Agency and £104,947 (31 December 2014 - £249,319) in respect of product warranty guarantees.

26. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2015 and 31 December 2014:

	31.12.15 £	31.12.14 £
M J Shortall		
Balance outstanding at start of year	543,005	(37,793)
Amounts advanced	1,254,810	2,741,365
Amounts repaid	(164,020)	(2,160,567)
Balance outstanding at end of year	<u>1,633,795</u>	<u>543,005</u>

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

26. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES - continued

The above transactions form the director's current account shown in current assets. Interest is receivable on the account at a rate of between 3.00 and 3.25% per annum (2014 - 5.00% per annum). Interest received during the year was £43,644 (2014 - £43,411).

During the year ended 31 December 2014 the company acquired its 97% interest in Vilamoura Charters LLP from M J Shortall for consideration of £650,000.

At the year end the company's bankers held a personal guarantee from M J Shortall for £100,000 (2014 - £100,000) in respect of the company's borrowings.

27. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption under paragraph 33.1A of FRS 102 from the requirement to disclose transactions entered into between wholly-owned group members.

Entities over which the entity has control, joint control or significant influence

	31.12.15	31.12.14
	£	£
Recognised bad or doubtful debts due from related parties	<u>30,895</u>	<u>-</u>

28. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is M J Shortall by virtue of his shareholding in the parent company.

29. FIRST YEAR ADOPTION

The company has adopted FRS 102 for the year ended 31 December 2015 and has restated the comparative prior year amounts.

Deferred Taxation

The company now recognises a deferred tax liability in respect of taxable gains on revalued land and buildings. Under previous UK GAAP the company was not required to recognise deferred tax liabilities on assets for which there was no commitment to sell.

Deferred taxation movements relating to revalued property are shown within Other Comprehensive Income and recognised within the revaluation reserve.

Impact

The impact from the transition to FRS 102 on previously-reported equity and profit is shown below.

RECONCILIATION OF EQUITY

1 JANUARY 2014

(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		<u>3,388,614</u>	-	<u>3,388,614</u>
CURRENT ASSETS				
Stocks		1,554,740	-	1,554,740
Debtors		1,945,601	-	1,945,601
Investments		25,987	-	25,987
Cash at bank		<u>2,345,910</u>	-	<u>2,345,910</u>
		<u>5,872,238</u>	-	<u>5,872,238</u>
CREDITORS				
Amounts falling due within one year		<u>(3,140,715)</u>	-	<u>(3,140,715)</u>
NET CURRENT ASSETS		<u>2,731,523</u>	-	<u>2,731,523</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,120,137	-	6,120,137
CREDITORS				
Amounts falling due after more than one year		(1,322,596)	-	(1,322,596)
PROVISIONS FOR LIABILITIES	20	<u>(128,372)</u>	-	<u>(128,372)</u>
NET ASSETS		<u><u>4,669,169</u></u>	-	<u><u>4,669,169</u></u>
CAPITAL AND RESERVES				
Called up share capital		12,750	-	12,750
Revaluation reserve		389,191	-	389,191
Retained earnings		<u>4,267,228</u>	-	<u>4,267,228</u>
SHAREHOLDERS' FUNDS		<u><u>4,669,169</u></u>	-	<u><u>4,669,169</u></u>

RECONCILIATION OF EQUITY - continued

31 DECEMBER 2014

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		4,099,360	-	4,099,360
Investments		<u>650,000</u>	<u>-</u>	<u>650,000</u>
		<u>4,749,360</u>	<u>-</u>	<u>4,749,360</u>
CURRENT ASSETS				
Stocks		835,694	-	835,694
Debtors		1,965,455	-	1,965,455
Investments		10,000	-	10,000
Cash at bank		<u>2,051,684</u>	<u>-</u>	<u>2,051,684</u>
		<u>4,862,833</u>	<u>-</u>	<u>4,862,833</u>
CREDITORS				
Amounts falling due within one year		<u>(2,017,673)</u>	<u>-</u>	<u>(2,017,673)</u>
NET CURRENT ASSETS		<u>2,845,160</u>	<u>-</u>	<u>2,845,160</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,594,520	-	7,594,520
CREDITORS				
Amounts falling due after more than one year		(1,232,853)	-	(1,232,853)
PROVISIONS FOR LIABILITIES	20	<u>(120,384)</u>	<u>(91,468)</u>	<u>(211,852)</u>
NET ASSETS		<u>6,241,283</u>	<u>(91,468)</u>	<u>6,149,815</u>
CAPITAL AND RESERVES				
Called up share capital		12,750	-	12,750
Revaluation reserve		1,209,629	(91,468)	1,118,161
Retained earnings		<u>5,018,904</u>	<u>-</u>	<u>5,018,904</u>
SHAREHOLDERS' FUNDS		<u>6,241,283</u>	<u>(91,468)</u>	<u>6,149,815</u>

The notes form part of these financial statements

RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2014

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	9,585,381	-	9,585,381
Cost of sales	<u>(5,040,987)</u>	-	<u>(5,040,987)</u>
GROSS PROFIT	4,544,394	-	4,544,394
Administrative expenses	(3,762,190)	-	(3,762,190)
Other operating income	<u>125,483</u>	-	<u>125,483</u>
OPERATING PROFIT	907,687	-	907,687
Interest receivable and similar income	48,882	-	48,882
Interest payable and similar charges	<u>(39,706)</u>	-	<u>(39,706)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	916,863	-	916,863
Tax on profit on ordinary activities	<u>(60,187)</u>	-	<u>(60,187)</u>
PROFIT FOR THE FINANCIAL YEAR	<u>856,676</u>	-	<u>856,676</u>