

REGISTERED NUMBER: 01910661 (England and Wales)

**Strategic Report, Report of the Directors and**  
**Financial Statements**  
**for the Period 1 August 2012 to 31 December 2013**  
**for**  
**Fabrikat (Nottingham) Limited**

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**for the Period 1 August 2012 to 31 December 2013**

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**Fabrikat (Nottingham) Limited**

**Company Information**  
**for the Period 1 August 2012 to 31 December 2013**

<b>DIRECTORS:</b>	P J Cordin P Heath M Hopkins M H Wass
<b>SECRETARY:</b>	P Heath
<b>REGISTERED OFFICE:</b>	Hamilton Road Sutton in Ashfield Nottingham NG17 5LN
<b>REGISTERED NUMBER</b>	01910661 (England and Wales)
<b>AUDITORS:</b>	Bates Weston Audit Ltd Statutory Auditors Chartered Accountants The Mills Canal Street Derby DE1 2RJ
<b>SOLICITORS:</b>	Nelsons Sterne House Lodge Lane Derby DE1 3WD

**Fabrikat (Nottingham) Limited (Registered number 01910661)**

**Strategic Report**  
**for the Period 1 August 2012 to 31 December 2013**

**Financial Overview**

Profit on ordinary activities before taxation was £223,140 (2012 £371,007) The directors are content with the result for the period in what continued to be a difficult trading market and are confident for the coming year

**Financial Performance**

	17 month Period to 31 Dec 2013 £'000	Year to 31 July 2012 £'000	Change £'000	Change %
Turnover	15,000	10,645	4,355	40.9
Gross Profit	2,005	1,571	434	27.6
Profit on ordinary activities before taxation	223	371	(148)	(39.9)

	Pro-rated Year to 31 Dec 2013 £'000	Year to 31 July 2012 £'000	Change £'000	Change %
Turnover	10,588	10,645	(57)	(0.5)
Gross Profit	1,415	1,571	(156)	(9.9)
Profit on ordinary activities before taxation	157	371	(214)	(57.7)

**Strategy**

Further progress was made during the period to ensuring that the company continues to achieve a balance between its product ranges and continues to strive to improve market share particularly in the bespoke section of the market

**Turnover**

Overall sales have fallen by 0.5% year on year the fall in demand for products induced by the global recession continued to depress the market but in the latter part of the period the situation improved as our strive to increase order input took effect

**Gross Margin**

This decreased in the year to 13.4% (2012 14.8%) The downward pressure on margin continues to be caused by increased competition in the market place but the directors' opinion is that the company is well placed to respond to increased demand

**Operating Costs**

Operating costs increased during the year The directors will continue to mitigate these costs wherever possible

**Research and Development**

The company continues to invest in the quality and design of its products believing that continued investment in research and development is fundamental to the growth of the business

**Capital Expenditure**

The directors do not foresee any major expenses in the current period

**Summary of Key Performance Indicators**

	Actual	2013 Target	Actual	2012 Target
Sales £'000	15,000	15,647	10,645	9,192
Sales growth % compared to prior year	40.9	70.2	20.7	21.1
Gross Profit Margin %	13.4	18.1	14.8	18.8
Net Profit Before Tax Margin %	1.5	2.6	3.5	2.8

**Strategic Report**  
**for the Period 1 August 2012 to 31 December 2013**

**Future Developments for the Business/Future Outlook**

The directors recognised that the global recession put pressure on prices and margins. The company believes that continuing to place emphasis on quality, design and delivery will enable the business to improve both its already strong reputation and market position.

The restructure of the group during the period which involved the transfer of the company to the new holding company and ultimate parent undertaking Hollinwell Investments Ltd together with the new financing arrangements no longer dependent on short-term bank overdrafts will enable the key stakeholders to pursue their objectives in a more focussed manner.

**Principal Risks and Uncertainties**

The management of the business and the nature of the company's strategy are subject to a number of risks.

The directors feel that the principal risk is that of not achieving turnover and the company closely monitors this. There is also the risk of gross profit reduction and cost increases against anticipated performance. This again is closely monitored by the directors with any necessary action undertaken.

**Financial risk management objectives and policies**

The company uses basic financial instruments, comprising bank borrowings and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to maintain finance for the company's operations. The main risks arising from the company's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.


**Interest rate risk**

The company finances its operations through a mixture of retained profits, intercompany accounts and bank borrowings. The company's exposure to interest rate fluctuations on its overdraft is managed on a group basis.

**Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this was achieved through bank borrowings. The company policy throughout the period has been to ensure continuity of funding and short term flexibility was achieved by overdraft facilities.

**ON BEHALF OF THE BOARD**



P Heath - Director

21 March 2014

**Fabrikat (Nottingham) Limited (Registered number: 01910661)**

**Report of the Directors**  
**for the Period 1 August 2012 to 31 December 2013**

The directors present their report with the financial statements of the company for the period 1 August 2012 to 31 December 2013

**DIVIDENDS**

No dividends will be distributed for the period ended 31 December 2013

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2012 to the date of this report

P J Cordin  
P Heath  
M Hopkins  
M H Wass

**DISCLOSURE IN THE STRATEGIC REPORT**

The matters required to be disclosed under SI (2008) 410 Sch 7 are contained within the Strategic Report as is applicable in accordance with s414C(11) of the Companies Act 2006

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are 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 each director 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

**Fabrikat (Nottingham) Limited (Registered number: 01910661)**

**Report of the Directors**  
**for the Period 1 August 2012 to 31 December 2013**

**AUDITORS**

The auditors, Bates Weston Audit Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, consisting of several overlapping, diagonal strokes.

P Heath - Director

21 March 2014

**Report of the Independent Auditors to the Members of  
Fabrikat (Nottingham) Limited**

We have audited the financial statements of Fabrikat (Nottingham) Limited for the period ended 31 December 2013 on pages eight to twenty two. 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 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 directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page four, 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 Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements. 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 2013 and of its profit for the period 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 Directors 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  
Fabnkat (Nottingham) 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Wayne Thomas ACA (Senior Statutory Auditor)  
for and on behalf of Bates Weston Audit Ltd  
Statutory Auditors  
Chartered Accountants  
The Mills  
Canal Street  
Derby  
DE1 2RJ

Date      **24 MAR 2014**

**Fabrikat (Nottingham) Limited (Registered number: 01910661)**

**Profit and Loss Account  
for the Period 1 August 2012 to 31 December 2013**

	Notes	Period 1 8 12 to 31 12 13		Year Ended 31 7 12	
		£	£	£	£
<b>TURNOVER</b>	2		15,000,215		10,644,610
Cost of sales			12,995,407		9,073,196
<b>GROSS PROFIT</b>			2,004,808		1,571,414
Distribution costs		622,467		437,282	
Administrative expenses		1,156,480		753,924	
			1,778,947		1,191,206
<b>OPERATING PROFIT</b>	5		225,861		380,208
Interest receivable and similar income			3,017		59
			228,878		380,267
Interest payable and similar charges	6		5,738		9,260
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			223,140		371,007
Tax on profit on ordinary activities	7		48,565		84,397
<b>PROFIT FOR THE FINANCIAL PERIOD</b>			174,575		286,610

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current period or previous year

The notes form part of these financial statements

**Fabrikat (Nottingham) Limited (Registered number 01910661)**

**Statement of Total Recognised Gains and Losses**  
**for the Period 1 August 2012 to 31 December 2013**

	Period 1 8 12 to 31 12 13 £	Year Ended 31 7 12 £
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	174,575	286,610
Unrealised surplus on revaluation of properties	234,942	-
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD</b>	<u>409,517</u>	<u>286,610</u>

**Note of Historical Cost Profits and Losses**  
**for the Period 1 August 2012 to 31 December 2013**

	Period 1 8 12 to 31 12 13 £	Year Ended 31 7 12 £
<b>REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	223,140	371,007
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	(8,124)	(15,339)
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>215,016</u>	<u>355,668</u>
<b>HISTORICAL COST PROFIT FOR THE PERIOD RETAINED AFTER TAXATION</b>	<u>166,451</u>	<u>271,271</u>

The notes form part of these financial statements

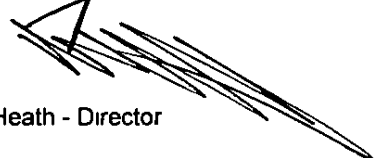
**Fabrikat (Nottingham) Limited (Registered number: 01910661)**

**Balance Sheet  
31 December 2013**

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	8	950,236	742,376
<b>CURRENT ASSETS</b>			
Stocks	9	1,199,613	1,027,546
Debtors	10	3,039,858	1,860,075
Cash at bank and in hand		93,057	481,946
		<u>4,332,528</u>	<u>3,369,567</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>2,216,740</u>	<u>1,928,974</u>
<b>NET CURRENT ASSETS</b>		<u>2,115,788</u>	<u>1,440,593</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,066,024</u>	<u>2,182,969</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	<u>473,538</u>	<u>-</u>
<b>NET ASSETS</b>		<u><u>2,592,486</u></u>	<u><u>2,182,969</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	99,294	99,294
Share premium	18	51,000	51,000
Revaluation reserve	18	305,277	224,128
Capital redemption reserve	18	24,500	24,500
Profit and loss account	18	<u>2,112,415</u>	<u>1,784,047</u>
	23	<u><u>2,592,486</u></u>	<u><u>2,182,969</u></u>

The financial statements were approved by the Board of Directors on 21 March 2014 and were signed on its behalf by

  
P J Cordin - Director

  
P Heath - Director

The notes form part of these financial statements

**Fabnkat (Nottingham) Limited (Registered number 01910661)**

**Cash Flow Statement  
for the Period 1 August 2012 to 31 December 2013**

	Notes	Period 1 8 12 to 31 12 13		Year Ended 31 7 12	
		£	£	£	£
<b>Net cash (outflow)/inflow from operating activities</b>	24		(110,371)		666,932
<b>Returns on investments and servicing of finance</b>	25		(2,721)		(9,201)
<b>Taxation</b>			(81,275)		(37,787)
<b>Capital expenditure and financial investment</b>	25		(1,095,117)		(29,977)
			(1,289,484)		589,967
<b>Financing</b>	25		1,099,130		-
<b>(Decrease)/increase in cash in the period</b>			(190,354)		589,967
<hr/>					
<b>Reconciliation of net cash flow to movement in net funds</b>	26				
(Decrease)/increase in cash in the period		(190,354)		589,967	
Cash inflow from increase in debt		(1,099,130)		-	
Change in net funds resulting from cash flows			(1,289,484)		589,967
<b>Movement in net funds in the period</b>			(1,289,484)		589,967
<b>Net funds/(debt) at 1 August</b>			267,923		(322,044)
<b>Net (debt)/funds at 31 December</b>			(1,021,561)		267,923

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Period 1 August 2012 to 31 December 2013**

**1 ACCOUNTING POLICIES**

**Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards

Having considered current and projected profitability and liquidity levels the directors continue to prepare the financial statements on the going concern basis

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year. Revenue is recognised at the date of the despatch.

**Tangible fixed assets and depreciation**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life

Freehold property	- Straight line over 33 years
Plant and machinery	- 20% on cost
Motor vehicles	- 25% on cost
Office equipment	- 20% on cost

Freehold land is not depreciated

**Stocks and work in progress**

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

**Deferred tax**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

**Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

**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

**Notes to the Financial Statements - continued**  
**for the Period 1 August 2012 to 31 December 2013**

**1 ACCOUNTING POLICIES - continued**

**Financial instruments**

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

**Bank financing arrangements**

The gross equivalent of trade debts subject to a receivables financing agreement is included within Trade debtors with the corresponding amount relating to the discounted sums received from the facility provider is included within creditors. The interest element and other facility provider's charges are recognised within the profit and loss account as they accrue.

**Revaluation of tangible fixed assets**

Individual freehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

**2 TURNOVER**

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

An analysis of turnover by geographical market is given below:

	Period 1 8 12 to 31 12 13 £	Year Ended 31 7 12 £
United Kingdom	14,987,189	10,620,984
Rest of European Union	13,026	23,626
	<u>15,000,215</u>	<u>10,644,610</u>

**Fabrikat (Nottingham) Limited (Registered number: 01910661)**

**Notes to the Financial Statements - continued**  
**for the Period 1 August 2012 to 31 December 2013**

**3 STAFF COSTS**

	Period 1 8 12 to 31 12 13 £	Year Ended 31 7 12 £
Wages and salaries	3,228,848	2,266,491
Social security costs	333,797	237,010
Other pension costs	66,725	60,706
	<u>3,629,370</u>	<u>2,564,207</u>

The average monthly number of employees during the period was as follows

	Period 1 8 12 to 31 12 13	Year Ended 31 7 12
Production staff	63	65
Administrative staff	13	12
	<u>76</u>	<u>77</u>

**4 DIRECTORS' EMOLUMENTS**

	Period 1 8 12 to 31 12 13 £	Year Ended 31 7 12 £
Directors' remuneration	434,574	382,177
Directors' pension contributions to money purchase schemes	45,550	48,303
	<u></u>	<u></u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>4</u>	<u>4</u>
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Information regarding the highest paid director is as follows

	Period 1 8 12 to 31 12 13 £	Year Ended 31 7 12 £
Emoluments etc	134,393	104,666
Pension contributions to money purchase schemes	20,550	14,400
	<u></u>	<u></u>



**Fabrkat (Nottingham) Limited (Registered number: 01910661)**

**Notes to the Financial Statements - continued**  
**for the Period 1 August 2012 to 31 December 2013**

**5 OPERATING PROFIT**

The operating profit is stated after charging

	Period 1 8 12 to 31 12 13 £	Year Ended 31 7 12 £
Depreciation - owned assets	63,639	40,473
Auditors' remuneration	10,000	10,850
Hire of plant and machinery	11,333	108,766
Other operating leases	170,527	103,562

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	Period 1 8 12 to 31 12 13 £	Year Ended 31 7 12 £
On bank borrowings	2,341	9,260
On other bank financing arrangements	3,397	-
	5,738	9,260

**7 TAXATION**

**Analysis of the tax charge**

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

	Period 1 8 12 to 31 12 13 £	Year Ended 31 7 12 £
Current tax		
UK corporation tax	48,565	84,397
Tax on profit on ordinary activities	48,565	84,397

**Fabrikat (Nottingham) Limited (Registered number 01910661)**

**Notes to the Financial Statements - continued  
for the Period 1 August 2012 to 31 December 2013**

**7 TAXATION - continued**

**Factors affecting the tax charge**

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

	Period 18 12 to 31 12 13 £	Year Ended 31 7 12 £
Profit on ordinary activities before tax	<u>223,140</u>	<u>371,007</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012 - 25.700%)	51,322	95,349
Effects of		
Expenses not deductible for tax purposes	387	1,233
Capital allowances in excess of depreciation	-	(501)
Depreciation in excess of capital allowances	4,078	-
Adjustments to tax charge in respect of previous periods	(1,038)	453
Marginal relief	(6,889)	(5,441)
Group relief not paid for	-	(8,202)
Origination and reversal of timing differences	705	1,506
Current tax charge	<u>48,565</u>	<u>84,397</u>

**8 TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Totals £
<b>COST OR VALUATION</b>					
At 1 August 2012	700,000	1,071,108	40,915	196,598	2,008,621
Additions	-	4,733	-	31,824	36,557
Revaluations	200,000	-	-	-	200,000
At 31 December 2013	<u>900,000</u>	<u>1,075,841</u>	<u>40,915</u>	<u>228,422</u>	<u>2,245,178</u>
<b>DEPRECIATION</b>					
At 1 August 2012	15,530	1,042,021	26,130	182,564	1,266,245
Charge for period	22,745	11,836	14,491	14,567	63,639
Revaluation adjustments	(34,942)	-	-	-	(34,942)
At 31 December 2013	<u>3,333</u>	<u>1,053,857</u>	<u>40,621</u>	<u>197,131</u>	<u>1,294,942</u>
<b>NET BOOK VALUE</b>					
At 31 December 2013	<u>896,667</u>	<u>21,984</u>	<u>294</u>	<u>31,291</u>	<u>950,236</u>
At 31 July 2012	<u>684,470</u>	<u>29,087</u>	<u>14,785</u>	<u>14,034</u>	<u>742,376</u>

The freehold property was valued at £900,000 by external valuer Sanderson Weatherall, Chartered Surveyors on 31 October 2013. The directors consider this valuation to represent the open market value as at 31 December 2013 and that there has been no material change in value since that date.

The historical cost of land and buildings at 31 December 2013 was £814,791, on which the annual historical cost depreciation charge would be £30,869.

**Fabrikat (Nottingham) Limited (Registered number: 01910661)**

**Notes to the Financial Statements - continued  
for the Period 1 August 2012 to 31 December 2013**

<b>9</b>	<b>STOCKS</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Raw materials	858,236	624,540
	Work-in-progress	115,470	106,335
	Finished goods	225,907	296,671
		<u>1,199,613</u>	<u>1,027,546</u>
<b>10</b>	<b>DEBTORS</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Amounts falling due within one year		
	Trade debtors	1,858,860	1,752,823
	Deferred tax asset	2,195	1,490
	Prepayments and accrued income	120,243	105,762
		<u>1,981,298</u>	<u>1,860,075</u>
	Amounts falling due after more than one year		
	Amounts owed by parent undertaking	1,058,560	-
		<u>3,039,858</u>	<u>1,860,075</u>
<b>11</b>	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts (see note 13)	41,950	214,023
	Other loans (see note 13)	599,130	-
	Trade creditors	1,318,981	1,228,348
	Amounts owed to parent undertaking	-	196,357
	Tax	50,308	82,313
	Social security and other taxes	206,371	207,933
		<u>2,216,740</u>	<u>1,928,974</u>
<b>12</b>	<b>CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Bank loans (see note 13)	<u>473,538</u>	<u>-</u>

**Fabnkat (Nottingham) Limited (Registered number: 01910661)**

**Notes to the Financial Statements - continued**  
**for the Period 1 August 2012 to 31 December 2013**

**13 LOANS**

An analysis of the maturity of loans is given below

	2013 £	2012 £
Amounts falling due within one year or on demand		
Bank overdrafts	15,488	214,023
Bank loans	26,462	-
Amounts advanced under other bank financing arrangements	599,130	-
	<u>641,080</u>	<u>214,023</u>
Amounts falling due between one and two years		
Bank loans	<u>26,462</u>	<u>-</u>
Amounts falling due between two and five years		
Bank loans	<u>116,512</u>	<u>-</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans	<u>330,564</u>	<u>-</u>

**14 OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

	Other operating leases	
	2013 £	2012 £
Expiring		
Within one year	107,474	11,770
Between one and five years	30,603	56,059
In more than five years	-	126,031
	<u>138,077</u>	<u>193,860</u>

**Fabnkat (Nottingham) Limited (Registered number: 01910661)**

**Notes to the Financial Statements - continued  
for the Period 1 August 2012 to 31 December 2013**

**15 SECURED DEBTS**

The following secured debts are included within creditors

	2013 £	2012 £
Bank overdrafts	15,488	214,023
Bank loans	500,000	-
Amounts advanced under other bank financing arrangements	599,130	-
	<u>1,114,618</u>	<u>214,023</u>

The bank overdraft is secured by a fixed and floating charge over all the company's assets

The bank loan is secured by a fixed and floating charge over all the company's assets and a legal charge over the company's land

The amounts advanced under other bank financing arrangements are secured on the trade debtors to which they relate

**16 DEFERRED TAX**

	£
Balance at 1 August 2012	(1,490)
Provided during period	(705)
Balance at 31 December 2013	<u>(2,195)</u>

**17 CALLED UP SHARE CAPITAL**

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
24,500 "A" Ordinary shares of £1 each	24,500	24,500
5,878 "B" Ordinary shares of £1 each	5,878	5,878
19,622 "B1" Ordinary shares of £1 each	19,622	19,622
1,820 "C" Ordinary shares of £1 each	1,820	1,820
20,016 "C1" Ordinary shares of £1 each	20,016	20,016
3,664 "C2" Ordinary shares of £1 each	3,664	3,664
1,942,578 "B1" Ordinary shares of £0 01 each	19,426	19,426
74,059 "C1" Ordinary shares of £0 01 each	741	741
362,736 "C2" Ordinary shares of £0 01 each	3,627	3,627
	<u>99,294</u>	<u>99,294</u>

**Notes to the Financial Statements - continued**  
**for the Period 1 August 2012 to 31 December 2013**

**18 RESERVES**

	Profit and loss account £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 August 2012	1,784,047	51,000	224,128	24,500	2,083,675
Profit for the period	174,575				174,575
Surplus on revaluation of property	-	-	234,942	-	234,942
Transfer	153,793	-	(153,793)	-	-
At 31 December 2013	<u>2,112,415</u>	<u>51,000</u>	<u>305,277</u>	<u>24,500</u>	<u>2,493,192</u>

**19 PENSION COMMITMENTS**

The company operates a defined contribution scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The pension cost charge for the period was £66,725 (2012: £60,706).

**20 OTHER FINANCIAL COMMITMENTS**

The company has given a guarantee to NatWest covering the liabilities due to the bank of whatever nature relating to Hollinwell Investments Limited. In addition, the bank holds a debenture conferring fixed and floating charges to secure all monies from time to time owed by the company to the bank. At the balance sheet date the net liability was £Nil (2012: n/a).

**21 RELATED PARTY DISCLOSURES**

The former parent undertaking Fabrikat Holdings Limited (in administration) maintained a current account with the company for recharged administration costs etc. At the Balance sheet date the amount the company owed to its former parent was £Nil (2012: £196,357).

During the period the company advanced to the new parent undertaking Hollinwell Investments Limited an interest free unsecured loan of £1,000,000 for working capital and paid expenses on its behalf of £58,560. Both amounts were outstanding at the balance sheet date and are repayable on one year's notice.

**22 ULTIMATE CONTROLLING PARTY**

The directors consider that the ultimate parent undertaking of this company is Hollinwell Investments Ltd (formerly Newincco 1247 Ltd) following the acquisition of the company's entire issued share capital on 22 July 2013.

Until 22 July 2013 the ultimate parent undertaking was Fabrikat Holdings Ltd through its 100% interest in the shares of the company.

Neither parent company had a single controlling interest in its shares.

**Notes to the Financial Statements - continued  
for the Period 1 August 2012 to 31 December 2013**

**23 RECONCILIATION OF MOVEMENTS IN RESERVES**

	2013 £	2012 £
Profit for the financial period	174,575	286,610
Other recognised gains and losses relating to the period (net)	234,942	-
Prior year adjustment		
<b>Net addition to reserves</b>	<u>409,517</u>	<u>286,610</u>
Opening reserves	2,182,969	1,896,359
<b>Closing reserves</b>	<u><u>2,592,486</u></u>	<u><u>2,182,969</u></u>

**24 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	Period 1 8 12 to 31 12 13 £	Year Ended 31 7 12 £
Operating profit	225,861	380,208
Depreciation charges	63,639	40,473
(Increase)/decrease in stocks	(172,067)	182,580
(Increase)/decrease in debtors	(120,518)	198,232
Decrease in creditors	(107,286)	(134,561)
<b>Net cash (outflow)/inflow from operating activities</b>	<u><u>(110,371)</u></u>	<u><u>666,932</u></u>

**25 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	Period 1 8 12 to 31 12 13 £	Year Ended 31 7 12 £
<b>Returns on investments and servicing of finance</b>		
Interest received	3,017	59
Interest paid	(5,738)	(9,260)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u><u>(2,721)</u></u>	<u><u>(9,201)</u></u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(36,557)	(29,977)
Loan to parent undertaking	(1,058,560)	-
<b>Net cash outflow for capital expenditure and financial investment</b>	<u><u>(1,095,117)</u></u>	<u><u>(29,977)</u></u>
<b>Financing</b>		
New loans in year	500,000	-
Other bank financing arrangements	599,130	-
<b>Net cash inflow from financing</b>	<u><u>1,099,130</u></u>	<u><u>-</u></u>

**Fabrikat (Nottingham) Limited (Registered number: 01910661)**

**Notes to the Financial Statements - continued**  
**for the Period 1 August 2012 to 31 December 2013**

**26 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 8 12 £	Cash flow £	At 31 12 13 £
Net cash			
Cash at bank and in hand	481,946	(388,889)	93,057
Bank overdrafts	(214,023)	198,535	(15,488)
	<u>267,923</u>	<u>(190,354)</u>	<u>77,569</u>
Debt			
Debts falling due within one year	-	(625,592)	(625,592)
Debts falling due after one year	-	(473,538)	(473,538)
	<u>-</u>	<u>(1,099,130)</u>	<u>(1,099,130)</u>
Total	<u>267,923</u>	<u>(1,289,484)</u>	<u>(1,021,561)</u>