

REGISTERED NUMBER: 01910661 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 December 2015
for
Fabrikat (Nottingham) Limited

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for the Year Ended 31 December 2015

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Fabrikat (Nottingham) Limited
Company Information
for the Year Ended 31 December 2015

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

Strategic Report
for the Year Ended 31 December 2015

Financial Overview

Profit on ordinary activities before taxation was £614,567 (2014: £649,106). The directors are pleased with the result for the period in what continued to be a difficult trading market and are confident for the coming year

Financial Performance

	Year to 31 Dec 2015 £'000	Year to 31 Dec 2014 £'000	Change £'000	Change %
Turnover	11,553	12,451	(898)	(7.2)
Gross Profit	1,897	2,019	(122)	(6.0)
Profit on ordinary activities before taxation	615	649	(34)	(5.2)

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 decreased by 7.2% year on year. A number of large contracts came to close in the period, but demand for product in the market rose. We anticipate an upturn in the market, whilst still fragile, we anticipate a similar level of turnover in coming year.

Gross Margin

This increased in the year to 16.4% (2014: 15.8%) reflecting the upturn in the market for bespoke products. Competition in the conventional product market will continue to put pressures on margins in this sector.

Operating Costs

Operating costs diminished in the year, reflecting the directors objectives to mitigate costs. The directors will continue on this path 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	2015 Target	Actual	2014 Target
Sales £'000	11,553	11,342	12,451	10,976
Sales growth % compared to prior year	(7.2)	3.3	19.6	3.7
Gross Profit Margin %	16.4	17.8	15.8	16.5
Net Profit Before Tax Margin %	5.3	5.4	5.2	1.1

Future Developments for the Business/Future Outlook

The directors recognised that the global recession continues to 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 as the market improves.

Principal Risks and Uncertainties

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

Strategic Report
for the Year Ended 31 December 2015

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:


.....
M. Hopkins - Director

Date: 6th April 2016

Report of the Directors
for the Year Ended 31 December 2015

The directors present their report with the financial statements of the company for the year ended 31 December 2015.

DIVIDENDS

An interim dividend of £0.244412 per share was paid on 1 December 2015. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2015 will be £600,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

M Hopkins
M H Wass

Other changes in directors holding office are as follows:

P J Cordin - resigned 15 September 2015
P Heath - resigned 15 September 2015

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, this being future developments and research and development activities of the group.

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.

Report of the Directors
for the Year Ended 31 December 2015

AUDITORS

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

ON BEHALF OF THE BOARD:


.....
M Hopkins - Director

Date: 6th April 2016

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

We have audited the financial statements of Fabrikat (Nottingham) Limited for the year ended 31 December 2015 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), 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 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 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 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
Fabrikat (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: **20 APR 2016**

Profit and Loss Account
for the Year Ended 31 December 2015

	Notes	2015	2014
		£	£
TURNOVER	2	11,552,601	12,450,749
Cost of sales		9,655,137	10,431,873
GROSS PROFIT		1,897,464	2,018,876
Distribution costs		529,131	496,189
Administrative expenses		725,739	834,445
		1,254,870	1,330,634
OPERATING PROFIT	5	642,594	688,242
Interest receivable and similar income		41	371
		642,635	688,613
Interest payable and similar charges	6	28,068	39,507
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		614,567	649,106
Tax on profit on ordinary activities	7	77,809	(9,661)
PROFIT FOR THE FINANCIAL YEAR		536,758	658,767
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		536,758	658,767

The notes form part of these financial statements

Fabrikat (Nottingham) Limited (Registered number: 01910661)

Balance Sheet
31 December 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	9	922,331	949,423
CURRENT ASSETS			
Stocks	10	904,134	1,354,192
Debtors	11	2,540,415	2,342,399
Cash at bank		102,589	48,450
		<u>3,547,138</u>	<u>3,745,041</u>
CREDITORS			
Amounts falling due within one year	12	<u>2,166,055</u>	<u>2,299,672</u>
NET CURRENT ASSETS		<u>1,381,083</u>	<u>1,445,369</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,303,414</u>	<u>2,394,792</u>
CREDITORS			
Amounts falling due after more than one year	13	<u>417,403</u>	<u>445,539</u>
NET ASSETS		<u><u>1,886,011</u></u>	<u><u>1,949,253</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	99,294	99,294
Share premium	19	51,000	51,000
Revaluation reserve	19	82,276	84,199
Capital redemption reserve	19	24,500	24,500
Retained earnings	19	<u>1,628,941</u>	<u>1,690,260</u>
SHAREHOLDERS' FUNDS		<u><u>1,886,011</u></u>	<u><u>1,949,253</u></u>

The financial statements were approved by the Board of Directors on 6th APRIL 2016 and were signed on its behalf by:


.....
M Hopkins - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 December 2015

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2014	99,294	2,112,415	51,000
Changes in equity			
Dividends	-	(1,302,000)	-
Total comprehensive income	-	879,845	-
Balance at 31 December 2014	99,294	1,690,260	51,000
Changes in equity			
Dividends	-	(600,000)	-
Total comprehensive income	-	538,681	-
Balance at 31 December 2015	99,294	1,628,941	51,000

	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 January 2014	305,277	24,500	2,592,486
Changes in equity			
Dividends	-	-	(1,302,000)
Total comprehensive income	(221,078)	-	658,767
Balance at 31 December 2014	84,199	24,500	1,949,253
Changes in equity			
Dividends	-	-	(600,000)
Total comprehensive income	(1,923)	-	536,758
Balance at 31 December 2015	82,276	24,500	1,886,011

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2015

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption 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.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with the parent company.

Turnover

Turnover from the sales of goods is recognised when the company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the company will receive the previously agreed amounts upon payment. These criteria are considered to be met when the goods are delivered to the buyer.

Turnover represents net invoiced sales of goods, excluding value added tax. In the case of finished goods it includes relevant costs and overheads plus attributable profit to date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation. 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.

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.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or 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 'other operating income' in the profit and loss account.

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 is determined on a first in first out basis.

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

1. ACCOUNTING POLICIES - continued

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.

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.

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 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.

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

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.

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 included within creditors. The interest element and other facility provider's charges are recognised within the profit and loss account as they accrue.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

1. ACCOUNTING POLICIES - continued

Revaluation reserve

The revaluation reserve consists of gains on revaluations to land and buildings prior to FRS 102 adoption. Deferred tax on these gains is assessed on an annual basis.

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 or an interim valuation 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.

Judgements in applying accounting policies and key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful economic lives taking in to account their 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 the asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken in to account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

The cost of certain stock is estimated based on weight.

The valuation of work in progress and finished goods is based on direct and indirect costs to date, indirect costs are estimated based on 150% of labour costs.

Stock that has not been replenished for 12 months is considered to be obsolete and is written off to 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:

	2015	2014
	£	£
United Kingdom	11,549,685	12,434,995
Rest of European Union	2,916	15,754
	<u>11,552,601</u>	<u>12,450,749</u>

3. STAFF COSTS

	2015	2014
	£	£
Wages and salaries	2,369,013	2,459,615
Social security costs	245,249	251,428
Other pension costs	68,289	55,409
	<u>2,682,551</u>	<u>2,766,452</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

3. STAFF COSTS - continued

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

	2015	2014
Production staff	67	70
Administrative staff	12	13
	<u>79</u>	<u>83</u>

4. DIRECTORS' EMOLUMENTS

	2015 £	2014 £
Directors' remuneration	348,858	360,557
Directors' pension contributions to money purchase schemes	<u>38,750</u>	<u>37,000</u>

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

Money purchase schemes	<u>2</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	2015 £	2014 £
Emoluments etc	101,749	99,118
Pension contributions to money purchase schemes	<u>13,750</u>	<u>15,000</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation - owned assets	47,514	44,344
Auditors' remuneration	10,500	9,500
Hire of plant and machinery	11,350	9,684
Other operating leases	<u>74,387</u>	<u>73,692</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31.12.15 £	Year Ended 31.12.14 £
On bank borrowings	28,068	37,105
On other bank financing arrangements	-	2,402
	<u>28,068</u>	<u>39,507</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

7. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2015 £	2014 £
Current tax:		
UK corporation tax	127,989	95,789
Research and development tax credits	(47,170)	(103,218)
Total current tax	80,819	(7,429)
Deferred tax	(3,010)	(2,232)
Tax on profit on ordinary activities	<u>77,809</u>	<u>(9,661)</u>

Reconciliation of total tax charge/(credit) 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:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>614,567</u>	<u>649,106</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.247% (2014 - 21%)	124,431	136,312
Effects of:		
Expenses not deductible for tax purposes	326	991
Capital allowances in excess of depreciation	-	(1,317)
Depreciation in excess of capital allowances	3,558	-
Adjustments to tax charge in respect of previous periods	-	(24,246)
Marginal relief	(70)	(726)
Group relief not paid for	(256)	(15,226)
Research and development tax credits	(47,170)	(103,217)
Deferred tax	(3,010)	(2,232)
Total tax charge/(credit)	<u>77,809</u>	<u>(9,661)</u>

8. DIVIDENDS

	2015 £	2014 £
Ordinary shares of £0.040448 each		
Interim	<u>600,000</u>	<u>1,302,000</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Totals £
COST					
At 1 January 2015	900,000	1,085,116	71,165	232,428	2,288,709
Additions	-	7,919	-	17,000	24,919
Disposals	-	(4,497)	-	-	(4,497)
At 31 December 2015	900,000	1,088,538	71,165	249,428	2,309,131
DEPRECIATION					
At 1 January 2015	23,333	1,063,052	46,176	206,725	1,339,286
Charge for year	20,000	8,941	7,569	11,004	47,514
At 31 December 2015	43,333	1,071,993	53,745	217,729	1,386,800
NET BOOK VALUE					
At 31 December 2015	856,667	16,545	17,420	31,699	922,331
At 31 December 2014	876,667	22,064	24,989	25,703	949,423

Included in cost of land and buildings is freehold land of £241,071 (2014 - £241,071) which is not depreciated.

The historical cost of land and buildings at 31 December 2015 was £814,791, on which the annual historical cost depreciation charge would be £18,077.

10. STOCKS

	2015 £	2014 £
Raw materials	662,466	921,473
Work-in-progress	70,349	196,085
Finished goods	171,319	236,634
	904,134	1,354,192

11. DEBTORS

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	1,811,168	2,212,444
Amounts owed by parent undertaking	652,210	-
Prepayments and accrued income	69,600	125,528
	2,532,978	2,337,972
Amounts falling due after more than one year:		
Deferred tax asset	7,437	4,427
Aggregate amounts	2,540,415	2,342,399

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

11. DEBTORS - continued

	2015 £	2014 £
Deferred tax asset		
Excess capital allowances over depreciation	7,437	4,427
	<u>7,437</u>	<u>4,427</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Bank loans and overdrafts (see note 14)	28,129	27,244
Other loans (see note 14)	808,268	560,083
Trade creditors	1,014,858	1,348,592
Amounts owed to parent undertaking	-	196
Tax	127,989	95,788
Social security and other taxes	186,811	267,769
	<u>2,166,055</u>	<u>2,299,672</u>

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

	2015 £	2014 £
Bank loans (see note 14)	<u>417,403</u>	<u>445,539</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2015 £	2014 £
Amounts falling due within one year or on demand:		
Bank loans	28,129	27,244
Amounts advanced under other bank financing arrangements	808,268	560,083
	<u>836,397</u>	<u>587,327</u>
Amounts falling due between one and two years:		
Bank loans	<u>29,042</u>	<u>28,128</u>
Amounts falling due between two and five years:		
Bank loans	<u>92,908</u>	<u>89,985</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>295,453</u>	<u>327,426</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

15. LEASING AGREEMENTS

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

	2015	2014
	£	£
Within one year	58,226	34,435
Between one and five years	362,404	415,978
	<u>420,630</u>	<u>450,413</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2015	2014
	£	£
Bank loans	445,532	472,783
Other financing arrangements	808,268	560,083
	<u>1,253,800</u>	<u>1,032,866</u>

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.

17. DEFERRED TAX

	£
Balance at 1 January 2015	(4,427)
Provided during year	<u>(3,010)</u>
Balance at 31 December 2015	<u>(7,437)</u>

18. CALLED UP SHARE CAPITAL

	2015	2014
	£	£
Allotted, called up and fully paid		
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 Year Ended 31 December 2015

19. RESERVES

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2015	1,690,260	51,000	84,199	24,500	1,849,959
Profit for the year	536,758	-	-	-	536,758
Dividends	(600,000)	-	-	-	(600,000)
Transfer	1,923	-	(1,923)	-	-
At 31 December 2015	<u>1,628,941</u>	<u>51,000</u>	<u>82,276</u>	<u>24,500</u>	<u>1,786,717</u>

20. PENSION COMMITMENTS

The principal employee benefit, as operated by the company, is that of a defined contribution scheme. 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 £70,005 (2014: £57,437).

21. 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 (2014: Nil).

22. ULTIMATE CONTROLLING PARTY

The directors consider that the ultimate parent undertaking of this company is Hollinwell Investment Holdings Limited.

The parent company has no single controlling interest in its shares.

The intermediate parent undertaking is Hollinwell Investments Limited. Copies of the consolidated financial statements are available from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.

23. FIRST YEAR ADOPTION

The company has adopted FRS 102 for the year ended 31 December 2015 and has restated the 31 December 2014 comparatives where applicable.

Changes:

1. Freehold property is held at deemed cost less depreciation, having previously been recognised under the revaluation model.
2. Deferred tax has been considered for the revalued property, no provision is required but this will be reassessed on an annual basis.

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		950,236	-	950,236
CURRENT ASSETS				
Stocks		1,199,613	-	1,199,613
Debtors		3,039,858	-	3,039,858
Cash at bank		93,057	-	93,057
		4,332,528	-	4,332,528
CREDITORS				
Amounts falling due within one year		(2,216,740)	-	(2,216,740)
NET CURRENT ASSETS		2,115,788	-	2,115,788
TOTAL ASSETS LESS CURRENT LIABILITIES		3,066,024	-	3,066,024
CREDITORS				
Amounts falling due after more than one year		(473,538)	-	(473,538)
NET ASSETS		2,592,486	-	2,592,486
CAPITAL AND RESERVES				
Called up share capital		99,294	-	99,294
Share premium		51,000	-	51,000
Revaluation reserve		305,277	(221,078)	84,199
Capital redemption reserve		24,500	-	24,500
Retained earnings		2,112,415	221,078	2,333,493
SHAREHOLDERS' FUNDS		2,592,486	-	2,592,486

The notes form part of these financial statements

Reconciliation of Equity - continued
31 December 2014

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		949,423	-	949,423
CURRENT ASSETS				
Stocks		1,354,192	-	1,354,192
Debtors		2,342,399	-	2,342,399
Cash at bank		48,450	-	48,450
		3,745,041	-	3,745,041
CREDITORS				
Amounts falling due within one year		(2,299,672)	-	(2,299,672)
NET CURRENT ASSETS		1,445,369	-	1,445,369
TOTAL ASSETS LESS CURRENT LIABILITIES		2,394,792	-	2,394,792
CREDITORS				
Amounts falling due after more than one year		(445,539)	-	(445,539)
NET ASSETS		1,949,253	-	1,949,253
CAPITAL AND RESERVES				
Called up share capital		99,294	-	99,294
Share premium		51,000	-	51,000
Revaluation reserve		305,277	(221,078)	84,199
Capital redemption reserve		24,500	-	24,500
Retained earnings		1,469,182	221,078	1,690,260
SHAREHOLDERS' FUNDS		1,949,253	-	1,949,253

The notes form part of these financial statements

Fabrikat (Nottingham) Limited (Registered number: 01910661)

Reconciliation of Profit
for the Year Ended 31 December 2014

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	12,450,749	-	12,450,749
Cost of sales	(10,431,873)	-	(10,431,873)
GROSS PROFIT	2,018,876	-	2,018,876
Distribution costs	(496,189)	-	(496,189)
Administrative expenses	(834,445)	-	(834,445)
OPERATING PROFIT	688,242	-	688,242
Interest receivable and similar income	371	-	371
Interest payable and similar charges	(39,507)	-	(39,507)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	649,106	-	649,106
Tax on profit on ordinary activities	9,661	-	9,661
PROFIT FOR THE FINANCIAL YEAR	658,767	-	658,767

The notes form part of these financial statements