AB Connectors Limited

Annual report and financial statements

Registered number 1914199

31 December 2015

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Contents

Strategic report

Financial performance and key performance indicators

The profit for the year, after taxation, amounted to £259,000 *(2014: £237,000)*.

Financial performance for the year has been analysed as follows:

	Year to 31 December 2015	Year to 31 December 2014		Change
	£000	£000	£000	%
Turnover	10,901	11,157	(256)	(2.3)
Gross profit	2,380	2,216	164	7.4
Operating profit	292	237	55	23.2
Capital Expenditure	393	309	84	27.2
	No.	No.	No.	%
Delivery performance	97%	97%	0	0
Quality performance (PPM)	244	857	613	71.5
Average permanent employees	144	142	2	1.4

Strategy

The company will continue its remodelling as a supplier of first choice for the development of connectors and connection systems based around harsh environmental connectors.

Turnover

Activities to expand the sales channels delivered 55% growth in North America, partially offsetting 12% reduction in UK and Europe driven by a time gap between the end of SSL program with Bombardier and the production of their Crossrail vehicle. The company is optimistic in its outlook for 2016 with continued strong growth in North America due to the expanded distribution network and the roll out of the JLTV program. Sales from new products launched in 2015 and an expansion of the sales organisation into Europe are also expected to deliver growth in the UK and Europe in 2016.

Gross profit

Although turnover slightly decreased, the gross profitability increased from 19.9% to 21.8%. The increase in profitability is due to the increase in focus on the promotion of higher margin product lines and the controlled spending achieved throughout the company. Continued investment in employees and plant is planned for 2016.

Principal risks and uncertainties

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

- Evolving products and markets.
- Competition from low cost countries.
- High proportion of fixed overheads and variable revenues.

The directors are of the opinion that a thorough risk management process is maintained which involves the formal review of all identified risks. Where possible, processes are in place to monitor and mitigate such risks.

Research and development

The company continues to invest in the quality and design of our products. We believe the continued investment in our design and development is fundamental to the continuing growth of the business. Research and development costs are written off in the profit and loss account in the period in which they occur.

Strategic report *(continued)*

Financial instruments

Financial risk management, objectives and policies

The company uses financial instruments, comprising borrowings, cash 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 raise finance for the company's operations. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

Interest rate risk

The company finances its operations through a mixture of retained profits, intercompany accounts and bank borrowing. The company's exposure to interest rate fluctuations on its borrowings is managed on a group basis by the use of both fixed and floating facilities.

Liquidity risk

The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through intercompany accounts and bank overdraft facilities.

Currency risk

The company is exposed to transaction and translation foreign exchange risk. In relation to translation risk the proportion of assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency. Transaction exposures are hedged when known, mainly using the forward hedge market.

By order of the board

L D Boardman
Director

REGISTERED OFFICE:
Abercynon
Mountain Ash
Rhondda Cynon Taff
CF45 4SF

16 June 2016

Directors' report

Principal Activities

The principal activity of the company is the design, manufacture and distribution of electro-mechanical connectors and connection systems.

Directors

The directors who held office during the year were as follows:

L D Boardman
B N Gillam
T H Roberts

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

Dividend

No dividends have been paid in the year (2014: £nil).

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

L D Boardman
Director

REGISTERED OFFICE:
Abercynon
Mountain Ash
Rhondda Cynon Taff
CF45 4SF

16 June 2016

Statement of directors' responsibilities in respect of the Strategic report, the Directors report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of AB Connectors Limited

We have audited the financial statements of AB Connectors Limited for the year ended 31 December 2015 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

E Holiday

Emma Holiday (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX
28th June 2016

Profit and Loss Account
for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Turnover	2	**10,901**	11,157
Cost of sales		**(8,521)**	(8,941)
Gross profit		**2,380**	2,216
Distribution costs		**(1,167)**	(1,066)
Administrative expenses		**(921)**	(913)
Operating profit		**292**	237
Interest payable and similar charges	6	**(33)**	-
Profit on ordinary activities before taxation		**259**	237
Tax on profit on ordinary activities	7	**-**	-
Profit for the financial year		**259**	237

The company has no other comprehensive income in either year and accordingly a statement of comprehensive income has not been prepared.

All results relate to continuing activities.

Balance Sheet
at 31 December 2015

	Note	2015	2015	2014	2014
		£000	**£000**	£000	£000
Fixed assets					
Tangible assets	8		**2,460**		2,566
			2,460		2,566
Current assets					
Stocks	9	**1,670**		1,861	
Debtors	10	**5,732**		5,635	
Cash at bank and in hand		**1,187**		629	
		8,589		8,125	
Creditors: amounts falling due within one year	11	**(6,026)**		(5,925)	
Net current assets			**2,563**		2,200
Total assets less current liabilities			**5,023**		4,766
Creditors: amounts falling due after more than one year	12		**(109)**		(111)
Net assets			**4,914**		4,655
Capital and reserves					
Called up share capital	15		**2,750**		2,750
Profit and loss account			**2,164**		1,905
Shareholders' funds			**4,914**		4,655

These financial statements were approved by the board of directors on 16 June 2016 and were signed on its behalf by:

L D Boardman
Director

B N Gillam
Director

Company registered number: 1914199

Statement of Changes in Equity

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2014	2,750	1,668	4,418
Total comprehensive income for the year			
Profit for the financial year, being total comprehensive income for the period	-	237	237
Balance at 31 December 2014	2,750	1,905	4,655

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 31 December 2014	2,750	1,905	4,655
Total comprehensive income for the year			
Profit for the financial year, being total comprehensive income for the period	-	**259**	**259**
Balance at 31 December 2015	**2,750**	**2,164**	**4,914**

Notes
(forming part of the financial statements)

1 Accounting policies

AB Connectors Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")*. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has adopted FRS 101 for the first time.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance and of the Company is provided in note 20.

The Company's ultimate parent undertaking, TT Electronics Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of TT Electronics Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Clive House, 12-18 Queens Road, Weybridge, Surrey, KT13 9XB.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of TT Electronics Plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*

The company proposes to continue to adopt the reduced disclosure framework of FRS101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements.

Notes *(continued)*

1 Accounting policies *(continued)*

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments and financial instruments classified as fair value through the profit or loss.

1.2 Going concern

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

The company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets. The carrying values of fixed assets are reviewed for impairment where there is an indication that the asset may be impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Buildings	50 years
Plant and equipment	3-10 years
Fixtures and fittings	4-10 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.7 Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.9 Employee benefits

Defined benefit plans

The Company's employees are members of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is TT Electronics Plc. No contributions were made by the company in the year.

Defined Contribution Pension Scheme

The company operates a defined contribution pension scheme for the benefit of directors and employees. The pension cost charge for the period represents contributions payable by the Company to the scheme.

1.10 Turnover

Turnover is the invoiced value of goods and services supplied excluding VAT. Transactions are recorded as sales when the delivery of products or performance of services takes place in accordance with the contract terms of sale.

Notes *(continued)*

1.11 Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Turnover

Turnover all arises from the principal activity of the company

	2015	2014
By geographical market		
United Kingdom	**6,778**	7,636
Rest of Europe	**1,432**	1,646
North America	**2,275**	1,470
Rest of the World	**416**	405
	10,901	11,157

Notes *(continued)*

3 Expenses and auditors remuneration

	2015	2014
	£000	£000
Depreciation of owned fixed assets	**499**	614
Operating leases: plant and equipment	**31**	28
Government grants	**(3)**	(4)
Audit of these financial statements	**18**	15

Amounts receivable by the Company's auditors and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, TT Electronics Plc.

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2015	2014
Production	**123**	124
Sales and distribution	**15**	12
Administration	**6**	6
	144	142

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£000	£000
Wages and salaries	**3,830**	3,619
Social security costs	**373**	367
Contributions to defined contribution plans	**314**	223
	4,517	4,209

5 Directors' remuneration

The directors received no emoluments in respect of their services to the company in either period.

6 Interest payable and similar charges

	2015	2014
	£000	**£000**
Other Interest	**33**	-

Notes *(continued)*

7 Taxation

Analysis of charge in the year

	2015	2014
	£000	£000
UK corporation tax	**-**	-
	-	-
Deferred tax	**-**	-
	-	-

Reconciliation of charge for the year

	2015	2014
	£000	£000
Profit for the year	**259**	237
Profit excluding taxation	**259**	237
Tax using the UK corporation tax rate of 20.25% *(2014: 21.5%)*	**52**	51
Items not deductible for tax purposes or income not taxable		11
Unrecognised deferred tax arising in the period	**-**	(101)
Group relief for which no payment was (made) / received	**(52)**	39
	-	-

The Company has unrecognised deferred tax in respect of fixed asset and other timing differences of £798,000 (2014: £610,000). Deferred tax is calculated at 20% for the period (2014: 20%). The recoverability of the assets is dependent upon the future profitability of the business and the availability of current year losses that can be surrendered from other group companies, and is therefore considered to be too uncertain to recognise.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 December 2015 has been calculated based on these rates. The Budget on 16 March 2016 announced that the reduction effective 1 April 2020 would be to 17% rather than 18% but the 17% rate has not been substantively enacted. This will reduce the company's future current tax charge accordingly.

Notes *(continued)*

8 Tangible fixed assets

	Land and buildings £000	Plant and equipment £000	Fixtures & fittings £000	Total £000
Cost				
Balance at 31 December 2014	2,074	12,349	439	14,862
Additions	12	362	19	393
Balance at 31 December 2015	2,086	12,711	458	15,255
Depreciation				
Balance at 31 December 2014	757	11,170	369	12,296
Depreciation charge for the year	45	435	19	499
Balance at 31 December 2015	802	11,605	388	12,795
Net book value				
At 31 December 2014	1,317	1,179	70	2,566
At 31 December 2015	**1,284**	**1,106**	**70**	**2,460**

Land and Buildings

The net book value of land and buildings comprises:

	2015 £000	2014 £000
Freehold	1,284	1,317

Notes *(continued)*

9 Stocks

	2015	2014
	£000	£000
Raw materials and consumables	**766**	864
Work in progress	**815**	869
Finished goods	**89**	128
	1,670	1,861

10 Debtors

	2015	2014
	£000	£000
Trade debtors	**1,453**	1,438
Amounts owed by group undertakings	**4,193**	4,109
Prepayments and accrued income	**86**	88
	5,732	5,635

11 Creditors: amounts falling due within one year

	2015	2014
	£000	£000
Trade creditors	**925**	885
Amounts owed to group undertakings	**4,522**	4,519
Taxation and social security	**185**	237
Accruals and deferred income	**394**	284
	6,026	5,925

12 Creditors: amounts falling after more than one year

	2015	2014
	£000	£000
Accruals and deferred income	**109**	111
	109	111

Notes *(continued)*

13 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2015	2014
	£000	£000
Less than one year	**10**	15
Between one and five years	**27**	-
	37	15

14 Employee benefits

Defined Contribution Pension Scheme

The Company operates a number of defined contribution pension plans. The pension cost charge for the period represents contributions payable by the company to the scheme amounted to £314,000 *(2014: £223,000).*

15 Share Capital

	2015	2014
	£000	£000
Allotted, called up and fully paid		
2,750,000 Ordinary shares at £1 each	**2,750**	2,750
	2,750	2,750

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are classified in shareholder funds.

16 Commitments

Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £20,000 (2014: £125,000).

17 Contingencies

The company is a cross guarantor together with certain other companies within the TT Electronics Plc group on the Group's main debt facilities.

As 31 December 2015, the total facilities to which the company is a cross-guarantor amounts to £95.4 million (2014: £49.6 million).

There was a cross guarantor between certain companies in the group on all bank overdrafts with Barclays Bank plc.
At 31 December 2015, the total borrowings which the company is a cross guarantor amounted to £481,000 (2014: £451,000).

The company has contingent liabilities of £346,000 (2014: £346,000) in respect of performance bonds and guarantees entered into the normal course of business.

18 Related parties

The company has taken advantage of the exemption available under FRS101 and has not disclosed transactions with TT Electronics Plc or its wholly owned subsidiaries.

Notes *(continued)*

19 Ultimate parent company and parent company of larger group

AB Electronic Products Group Limited is the company's controlling party by virtue of its 100 percent interest.

The company's ultimate controlling party and ultimate parent undertaking is TT Electronics Plc which is registered in England and Wales. TT Electronics Plc heads the only group in which the company is consolidated.

Copies of TT Electronics Plc financial statements can be obtained from the registered office at Clive House, 12-18 Queens Road, Weybridge, Surrey, KT13 9XB.

Notes (continued)

20 Explanation of transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, and the comparative information presented in these financial statements for the year ended 31 December 2014.

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity

		1 January 2014			**31 December 2014**		
		UK GAAP	Effect of transition to FRS 101	FRS 101	**UK GAAP**	**Effect of transition to FRS 101**	**FRS 101**
	Note	£000	£000	£000	**£000**	**£000**	**£000**
Fixed assets							
Tangible fixed assets		2,871	-	2,871	**2,566**	-	**2,566**
		2,871	-	2,871	**2,566**	-	**2,566**
Current assets							
Stocks		2,185	-	2,185	**1,861**	-	**1,861**
Trade debtors		1,304	-	1,304	**1,438**	-	**1,438**
Amounts owed by group undertakings		3,515	-	3,515	**4,109**	-	**4,109**
Prepayments		117	-	117	**88**	-	**88**
Cash at bank and in hand		1,002	-	1,002	**629**	-	**629**
		8,123	-	8,123	**8,125**	-	**8,125**
Creditors: amounts due within one year							
Trade creditors		(1,486)	-	(1,486)	**(885)**	-	**(885)**
Amounts owed to group undertakings	*a*	(639)	(4,000)	(4,639)	**(519)**	**(4,000)**	**(4,519)**
Taxation and social security		(95)	-	(95)	**(237)**	-	**(237)**
Accruals and deferred income		(241)	-	(241)	**(284)**	-	**(284)**
		(2,461)	(4,000)	(6,461)	**(1,925)**	**(4,000)**	**(5,925)**

Notes (continued)

20 Explanation of transition to FRS 101 *(continued)*

		1 January 2014			31 December 2014		
		UK GAAP	Effect of transition to FRS 101	FRS 101	UK GAAP	Effect of transition to FRS 101	FRS 101
Net current assets		5,662	(4,000)	1,662	6,200	(4,000)	2,200
		8,533	(4,000)	4,533	8,766	(4,000)	4,766
Creditors: amounts falling due after more than one year							
Amounts owed to group undertakings	*a*	(4,000)	4,000	-	(4,000)	4,000	-
Accruals and deferred income		(115)	-	(115)	(111)	-	(111)
		(4,115)	4,000	(115)	(4,111)	4,000	(111)
Net assets		4,418	-	4,418	4,655	-	4,655
Capital and reserves							
Called up share capital		2,750	-	2,750	2,750	-	2,750
Profit and loss account		1,668	-	1,668	1,905	-	1,905
Shareholder's funds		4,418	-	4,418	4,655	-	4,655

Notes to the reconciliation of equity

a) Reconciling items in the above table are due to the reclassification of an intercompany loan as it is due in less than one year.

b) There were no adjustments affecting the 2014 Profit & Loss Account