

NGK Berylco UK Limited

**Directors' report and financial
statements**

Registered number 2085285

31 March 2016

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of the Company remains dealing in copper beryllium alloy products.

Business review

The results for the period are set out on page 5 of these financial statements.

There were no interim dividends paid during the period (2015: *£nil*). The directors do not recommend the payment of a final dividend (2015: *£nil*).

Directors

The directors who held office during the period and since the period end were as follows:

P Coulon
L McNichol
T Motobayashi (appointed on 1 July 2015)
H Takahashi
K Yoshioka (resigned on 1 July 2015)

Political and charitable contributions

The Company made no charitable contributions during the period (2015: *£200*). There were no political donations in the current year (2015: *£nil*).

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 himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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



15/7/16

DJ Kemp
Secretary

Unit E
Houston Park
Montford Street
Salford
M50 2RP

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

The directors are responsible for preparing 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.



KPMG LLP

1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of NGK Berylco UK Limited

We have audited the financial statements of NGK Berylco UK Limited for the year ended 31 March 2016 set out on pages 5 to 19. 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 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 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 2, 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 March 2016 and of its profit for the period 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of NGK Berylco UK Limited *(continued)*

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; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.

Liam Finnigan

19th July 2016

Liam Finnigan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 March 2016

	<i>Note</i>	2016 £000	2015 £000
Turnover	2	3,444	4,620
Cost of sales		(2,610)	(3,577)
		<hr/>	<hr/>
Gross profit		834	1,043
Distribution costs		(281)	(270)
Administrative expenses		(150)	(160)
		<hr/>	<hr/>
Operating profit	3-5	403	613
Other interest receivable and similar income	6	57	34
Interest payable and similar charges	7	(3)	(2)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		457	645
Tax on profit on ordinary activities	8	(93)	(137)
		<hr/>	<hr/>
Profit for the financial year		364	508
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		364	508
		<hr/>	<hr/>

All activities derive from continuing operations. There are no discontinued operations in the current or prior period.
 For 2015 and 2016 there has been no income or expense in other comprehensive income except for the profit for the financial year.

The notes on page 8 to 19 form part of these financial statements.

Balance sheet
at 31 March 2016

	<i>Note</i>	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Tangible assets	9		36		41
Current assets					
Stocks	11	1,436		1,486	
Debtors	12	541		1,078	
Cash at bank and in hand		4,121		3,545	
		<u>6,098</u>		<u>6,109</u>	
Creditors: amounts falling due within one year	13	(381)		(761)	
Net current assets			5,717		5,348
Total assets less current liabilities			5,753		5,389
Provisions for liabilities	15		(2)		(2)
Net assets			5,751		5,387
Capital and reserves					
Called up share capital	17		500		500
Profit and loss account			5,251		4,887
Shareholders' funds			5,751		5,387

These financial statements were approved by the board of directors on 15 July 2016 and were signed on its behalf by:



L McNichol
Director
 Company registered number: 2085285

The notes on page 8 to 19 form part of these financial statements.

Statement of Changes in Equity

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2014	500	4,423	4,923
Effect of change in accounting policy	-	(44)	(44)
Balance at 1 April 2014 restated	500	4,379	4,879
Total comprehensive income for the period			
Profit	-	508	508
Total comprehensive income for the period	-	508	508
Balance at 31 March 2015	500	4,887	5,387
	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2015	500	4,887	5,387
Total comprehensive income for the period			
Profit	500	4,887	5,387
	-	364	364
Total comprehensive income for the period	-	364	364
Balance at 31 March 2016	500	5,251	5,751

Notes

(forming part of the financial statements)

1. Accounting policies

NGK Berylco UK Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is in sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 22.

The Company's ultimate parent undertaking, NGK Insulators Limited includes the Company in its consolidated financial statements. The consolidated financial statements of NGK Insulators Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address given in note 21. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of NGK Insulators Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 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.

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: financial instruments classified at fair value through the profit or loss.

1.2 Going concern

The directors have considered the future profitability of the Company and its ability to continue as a going concern, and have prepared profit and cash flow forecasts into the future. Based on these projections, the directors are satisfied that, for the foreseeable future, the Company can meet its projected working capital requirements. Consequently, the financial statements have been prepared on a going concern basis.

Notes (continued)

1. Accounting policies (continued)

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. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.7 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

1.8 Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

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. The estimated useful lives are as follows:

Plant and machinery	4 to 10 years
Office equipment	3 to 4 years
Fixtures and fittings	4 to 10 years
Motor vehicles	4 years
Software	3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Notes (continued)

1. Accounting policies (continued)

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. 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.

1.10 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.11 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of copper alloy goods supplied to customers during the period. Revenue is recognised on dispatch of goods to customers.

1.12 Expenses

Operating lease

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 unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.13 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 timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Notes (continued)

1. Accounting policies (continued)

1.13 Taxation (continued)

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. Turnover

	2016 £000	2015 £000
Sale of goods	3,444	4,620
By activity		
Sale of copper beryllium alloy products	3,444	4,620
By geographical location		
United Kingdom	2,579	3,503
Rest of World	865	1,117
	3,444	4,620

3. Expenses and auditor's remuneration

	2016 £000	2015 £000
<i>Included in profit are the following:</i>		
Impairment of inventories	164	141
<i>Auditor's remuneration:</i>		
Audit of these financial statements	12	11
Other services relating to taxation	2	2

4. Remuneration of directors

	2016 £000	2015 £000
Directors' emoluments	72	72
Pension contributions	8	7
	80	79

During the period the Company made contributions to a defined contribution pension scheme on behalf of one of the directors (2015: one).

Notes (continued)

5. Staff numbers and costs

The average number of persons employed by the Company (excluding those directors who perform their duties wholly outside the UK) during the period, analysed by category, was as follows:

	Number of employees	
	2016	2015
Administration	2	2
Sales	4	3
Warehouse	4	4
	<u>10</u>	<u>9</u>

The aggregate payroll costs of these persons were as follows:

	2016 £000	2015 £000
Wages and salaries	295	298
Social security costs	32	33
Contributions to defined contribution plans (see note 16)	32	31
	<u>359</u>	<u>362</u>

6. Other interest receivable and similar income

	2016 £000	2015 £000
Net gain on financial assets measured at fair value through profit and loss	33	14
Bank interest receivable	24	20
	<u>57</u>	<u>34</u>

7. Interest payable and similar charges

	2016 £000	2015 £000
Net foreign exchange losses	3	2
	<u>3</u>	<u>2</u>

Notes (continued)

8. Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2016 £000	£000	2015 £000	£000
<i>Current tax</i>				
Current tax on income for the period		86		133
Total current tax		86		133
<i>Deferred tax (see note 15)</i>				
Origination and reversal of timing differences	6		4	
Change in tax rate	1		-	
Total deferred tax		7		4
Total tax		93		137

	£000	2016 £000	£000	£000	2015 £000	£000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	86	7	93	133	4	137
Total tax	86	7	93	133	4	137

Analysis of current tax recognised in profit and loss

	2016 £000	2015 £000
UK corporation tax	93	137
Total current tax recognised in profit and loss	93	137

Reconciliation of effective tax rate

	2016 £000	2015 £000
Profit for the year	364	508
Total tax expense	93	137
Profit excluding taxation	457	645
Tax using the UK corporation tax rate of 20% (2015: 21%)	91	135
Non-deductible expenses	2	2
Total tax expense included in profit	93	137

Notes (continued)

8. Taxation (continued)

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 liability at 31 March 2016 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly and reduce the deferred tax liability in the future.

9. Tangible fixed assets

	Plant and machinery £000	Fixtures, fittings and office equipment £000	Software £000	Total £000
Cost				
As at 1 April 2015	148	97	30	275
Additions	-	8	-	8
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2016	148	105	30	283
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
As at 1 April 2015	119	85	30	234
Charge for period	7	6	-	13
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2016	126	91	30	247
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
As at 31 March 2016	22	14	-	36
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2015	29	12	-	41
	<hr/>	<hr/>	<hr/>	<hr/>

10. Current asset investments and other financial assets

	2016 £000	2015 £000
Current asset investments		
Financial assets designated as fair value through profit or loss	-	6
	<hr/>	<hr/>

11. Stock

	2016 £000	2015 £000
Raw materials and consumables	1,436	1,486
	<hr/>	<hr/>

Raw materials and consumables recognised as cost of sales in the year amounted to £2,252,979 (2015: £3,220,193). The write down of stocks to net realisable value amounted to £164,334 (2015: £141,009). The write downs are included in cost of sales.

Notes (continued)

12. Debtors

	2016 £000	2015 £000
Trade debtors	478	795
Amounts owed by group undertakings	11	133
Other debtors	-	75
Deferred tax assets (see note 15)	2	8
Other financial assets (see note 10)	-	6
Prepayments and accrued income	50	61
	<u>541</u>	<u>1,078</u>

13. Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	60	144
Amounts owed to group undertakings	185	360
Taxation and social security	88	136
Accruals and deferred income	39	74
Other financial liabilities (see note 14)	9	47
	<u>381</u>	<u>761</u>

14. Other financial liabilities

	2016 £000	2015 £000
Amounts falling due within one year		
Financial liabilities designated as fair value through profit or loss	9	47
	<u>9</u>	<u>47</u>

15. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2016 £000	2015 £000	Liabilities 2016 £000	2015 £000	Net 2016 £000	2015 £000
Accelerated capital allowances	-	-	2	2	2	2
Short term timing differences	(2)	(8)	-	-	(2)	(8)
	<u>(2)</u>	<u>(8)</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>(6)</u>
Tax (assets) / liabilities	(2)	(8)	2	2	-	(6)

Notes (continued)

16. Employee benefits

Defined contribution plans

The Company operates a defined contribution pension plan.

The total expense relating to these plans in the current year was £31,534 (2015: £31,000).

17. Called up share capital

	2016 £000	2015 £000
<i>Allotted, called up and fully paid</i>		
498 Ordinary shares of £1,000 each	498	498
2,000 Ordinary shares of £1 each	2	2
	<hr/>	<hr/>
	500	500
	<hr/>	<hr/>

All shares rank *pari passu*. 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.

18. Financial instruments

Financial instruments measured at fair value

Derivative financial instruments

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Fair values

The amounts for all financial assets and financial liabilities carried at fair value are as follows:

	Fair value 2016 £000	Fair value 2015 £000
Financial assets designated as fair value through profit or loss	-	6
Financial liabilities designated as fair value through profit or loss	(9)	(47)
	<hr/>	<hr/>
	(9)	(41)
	<hr/>	<hr/>

Notes (continued)

19. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2016 £000	2015 £000
Less than one year	44	44
Between one and five years	129	125
	<hr/>	<hr/>
	173	169
	<hr/>	<hr/>

During the year £44,292 was recognised as an expense in the profit and loss account in respect of operating leases (2015: £44,292).

20. Related parties

The entity is exempt from disclosing related party transactions on the basis that they are all with wholly owned members of the same group.

21. Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of NGK North America Inc. The ultimate controlling party is NGK Insulators Limited.

The largest group in which the results of the Company are consolidated is that headed by NGK Insulators Ltd, incorporated in country Japan. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from NGK Insulators Limited, 2-56, Sudo-cho, Mizuho-ku, Nagoya, 467-8530, Japan.

22. Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2016 and the comparative information presented in these financial statements for the year ended 31 March 2015.

In preparing its FRS 102 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 102 has affected the Company's financial position and financial performance is set out in the following tables.

Notes (continued)

22. Explanation of transition to FRS 102 from old UK GAAP (continued)

Reconciliation of equity

		1 April 2014 Effect of transition to FRS			31 March 2015 Effect of transition to FRS		
	Note	UK GAAP £000	102 £000	FRS 102 £000	UK GAAP £000	102 £000	FRS 102 £000
Fixed assets							
Tangible fixed assets		48	-	48	41	-	41
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Current assets							
Stocks		1,630	-	1,630	1,486	-	1,486
Debtors (due with one year)	a	948	11	959	1,064	14	1,078
Cash at bank and in hand		3,156	-	3,156	3,545	-	3,545
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		5,734	11	5,745	6,095	14	6,109
Creditors: amounts due within one year	a	(858)	(55)	(913)	(714)	(47)	(761)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net current assets		4,876	(44)	4,832	5,381	(33)	5,348
Provisions for liabilities		(1)	-	(1)	(2)	-	(2)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net assets		4,923	(44)	4,879	5,420	(33)	5,387
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Capital and reserves							
Called up share capital		500	-	500	500	-	500
Profit and loss account		4,423	(44)	4,379	4,920	(33)	4,887
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Shareholders' equity		4,923	(44)	4,879	5,420	(33)	5,387

Notes to the reconciliation of equity

- a) Under FRS 102 Section 12 'Other financial instruments', forward contracts are now held at fair value through profit and loss. The fair value of the forward contracts are recorded gross as other financial assets and liabilities on the balance sheet. The net gain or loss in the period is reflected in the profit and loss account. There is an associated deferred tax impact of this change.

Notes (continued)

22. Explanation of transition to FRS 102 from old UK GAAP (continued)

Reconciliation of profit for the year ended 31 March 2015

	Note	UK GAAP £000	2015 Effect of transition to FRS 102 £000	FRS 102 £000
Turnover		4,620	-	4,620
Cost of sales		(3,577)	-	(3,577)
Gross profit		1,043	-	1,043
Distribution costs		(270)	-	(270)
Administrative expenses		(160)	-	(160)
Operating profit		613	-	613
Other interest receivable and similar income	a	20	14	34
Interest payable and similar charges		(2)	-	(2)
Profit on ordinary activities before taxation		631	14	645
Taxation	a	(134)	(3)	(137)
Profit for the year		497	11	508

Notes to the reconciliation of profit

- a) Under FRS 102 Section 12 'Other financial instruments', forward contracts are now held at fair value through profit and loss. The fair value of the forward contracts are recorded gross as other financial assets and liabilities on the balance sheet. The net gain or loss in the period is reflected in the profit and loss account. There is an associated deferred tax impact of this change.