

Company Registration No. 02141868 (England and Wales)

**ASSEMBLY TECHNIQUES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**ASSEMBLY TECHNIQUES LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	N P Downing P J Hudson
<b>Company number</b>	02141868
<b>Registered office</b>	Unit 5 Tameside Court Fifth Avenue Dukinfield Cheshire SK16 4PW
<b>Auditors</b>	Cowgill Holloway LLP Regency House 45-53 Chorley New Road Bolton Lancs BL1 4QR
<b>Bankers</b>	National Westminster Bank Plc 179 Stamford Street Ashton-under-lyne Lancashire OL6 7PZ

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# **ASSEMBLY TECHNIQUES LIMITED**

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# ASSEMBLY TECHNIQUES LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present the strategic report and financial statements for the year ended 31 December 2015.

### **Fair review of the business**

The company has had another successful year in terms of both turnover and profitability and the directors expect that this growth will continue for the forthcoming year. The directors are satisfied that the company is well placed and have maintained adequate reserves and cash balances to enable sufficient mitigation of any future financial, commercial and economic risks that the company may encounter.

### **Principal risks and uncertainties**

The directors have considered the exposure of the company to risks. The principal risks are liquidity risk, interest rate risk, foreign currency risk and credit risk. The company is funded through its retained earnings and borrowings. The directors regularly monitor cash flow projections of the company in order to ensure that it has sufficient available funds for its continuing operations.

The company currently has borrowings that are at a variable rate of interest that was used to purchase the company. The risk is managed by monitoring key ratios such as interest cover, as well as cash flow. The company does not use derivative financial instruments to manage this risk and, as such, no hedge accounting is applied.


The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

The company has policies in place such that credit checks are made on all potential customers as part of the set new account procedures. Key suppliers are also subject to credit checks in order to mitigate supply chain failure.

### **Development and performance**

During the year ended 31st December 2015 the company has reported improvements in turnover generated from the trading activities, based on the prior years figures. This together with the strong net assets position of the company demonstrates that the company is in a strong financial position and has the ability to invest in the company's future.

On behalf of the board

DocuSigned by:  
  
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N P Downing

Director  
02 June 2016 | 2:47 PM GMT

# **ASSEMBLY TECHNIQUES LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their annual report and financial statements for the year ended 31 December 2015.

### **Principal activities**

The principal activity of the company continued to be that of supplier and stockist of specialist fastenings and kitted proprietary products. There were no significant changes in its activity during the period.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N P Downing  
P J Hudson

### **Results and dividends**

The results for the year are set out on page 6.

No final dividend is proposed. Dividends totalling £1,380,000 (2014: £667,880) have been paid during the period.

### **Auditors**

The auditors, Cowgill Holloway LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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 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 of disclosure to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.


## **ASSEMBLY TECHNIQUES LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2015***

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On behalf of the board

DocuSigned by:  
  
N P Downing

NP Downing

Director

02 June 2016 | 2:47 PM GMT

## **ASSEMBLY TECHNIQUES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF ASSEMBLY TECHNIQUES LIMITED**

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We have audited the financial statements of Assembly Techniques Limited for the year ended 31 December 2015 set out on pages 6 to 24. 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.

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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on , 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 Annual Report 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 matters 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.

## **ASSEMBLY TECHNIQUES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

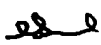
#### **TO THE MEMBERS OF ASSEMBLY TECHNIQUES LIMITED**

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##### **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.

DocuSigned by:  
  
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**Stuart Stead (Senior Statutory Auditor)**  
**for and on behalf of Cowgill Holloway LLP**

02 June 2016 | 4:07 PM GMT  
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**Chartered Accountants**  
**Statutory Auditor**

Regency House  
45-53 Chorley New Road  
Bolton  
Lancs  
BL1 4QR



**ASSEMBLY TECHNIQUES LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2015**

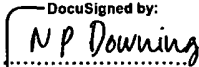
	<b>Notes</b>	<b>2015 £</b>	<b>2014 £</b>
Turnover	<b>3</b>	9,389,373	8,661,647
Cost of sales		(6,355,536)	(6,189,339)
<b>Gross profit</b>		<b>3,033,837</b>	<b>2,472,308</b>
Distribution costs		(28,102)	(33,041)
Administrative expenses		(2,271,794)	(1,748,783)
<b>Operating profit</b>	<b>4</b>	<b>733,941</b>	<b>690,484</b>
Interest receivable and similar income	<b>7</b>	7,567	12,416
Interest payable and similar charges	<b>8</b>	(12,675)	(10,249)
<b>Profit before taxation</b>		<b>728,833</b>	<b>692,651</b>
Taxation	<b>9</b>	(232,169)	(221,191)
<b>Profit for the financial year</b>		<b>496,664</b>	<b>471,460</b>
<b>Total comprehensive income for the year</b>		<b>496,664</b>	<b>471,460</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**ASSEMBLY TECHNIQUES LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2015**

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	11		998,749		1,047,451
<b>Current assets</b>					
Stocks	12	1,076,708		522,726	
Debtors	13	1,482,422		1,467,342	
Cash at bank and in hand		170,385		251,862	
		2,729,515		2,241,930	
<b>Creditors: amounts falling due within one year</b>	14	(3,061,869)		(1,682,300)	
Net current (liabilities)/assets			(332,354)		559,630
<b>Total assets less current liabilities</b>			666,395		1,607,081
<b>Creditors: amounts falling due after more than one year</b>	15		(44,162)		(98,431)
<b>Provisions for liabilities</b>	18		(6,307)		(9,388)
<b>Net assets</b>			615,926		1,499,262
<b>Capital and reserves</b>					
Called up share capital	21		10,000		10,000
Revaluation reserve			81,499		83,436
Profit and loss reserves			524,427		1,405,826
<b>Total equity</b>			615,926		1,499,262

The financial statements were approved by the board of directors and authorised for issue on 02 June 2016 | 2:47 PM and are signed on its behalf by:

DocuSigned by:  
  
 NP Downing  
 Director

Company Registration No. 02141868

**ASSEMBLY TECHNIQUES LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2014</b>		10,000	85,373	1,600,309	1,695,682
<b>Year ended 31 December 2014:</b>					
Profit and total comprehensive income for the year		-	-	471,460	471,460
Dividends	10	-	-	(667,880)	(667,880)
Transfers		-	-	1,937	1,937
Other		-	(1,937)	-	(1,937)
<b>Balance at 31 December 2014</b>		10,000	83,436	1,405,826	1,499,262
<b>Year ended 31 December 2015:</b>					
Profit and total comprehensive income for the year		-	-	496,664	496,664
Dividends	10	-	-	(1,380,000)	(1,380,000)
Transfers		-	-	1,937	1,937
Other		-	(1,937)	-	(1,937)
<b>Balance at 31 December 2015</b>		10,000	81,499	524,427	615,926

**ASSEMBLY TECHNIQUES LIMITED****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 £	£	2014 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	1,428,178		796,466	
Interest paid		(12,675)		(10,249)	
Corporation tax paid		(305,522)		(118,451)	
<b>Net cash inflow from operating activities</b>		<b>1,109,981</b>		<b>667,766</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(63,988)		(219,397)	
Proceeds on disposal of tangible fixed assets		-		45,000	
Interest received		7,567		12,416	
<b>Net cash used in investing activities</b>		<b>(56,421)</b>		<b>(161,981)</b>	
<b>Financing activities</b>					
Repayment of borrowings		280,101		6,273	
Payment of obligations under finance leases		(35,138)		68,367	
Dividends paid		(1,380,000)		(667,880)	
<b>Net cash used in financing activities</b>		<b>(1,135,037)</b>		<b>(593,240)</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(81,477)</b>		<b>(87,455)</b>	
Cash and cash equivalents at beginning of year		251,862		339,317	
<b>Cash and cash equivalents at end of year</b>		<b>170,385</b>		<b>251,862</b>	

# **ASSEMBLY TECHNIQUES LIMITED**

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

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### **1 Accounting policies**

#### **Company information**

Assembly Techniques Limited is a company limited by shares incorporated in England and Wales. The registered office is Unit 5, Tameside Court, Fifth Avenue, Dukinfield, Cheshire, SK16 4PW.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Assembly Techniques Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1st January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **1.2 Going concern**

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

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

# ASSEMBLY TECHNIQUES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 1 Accounting policies

(Continued)

##### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% per annum straight line
Leasehold improvements	Over the term of the lease
Plant and machinery	15% per annum reducing balance
Fixtures, fittings & equipment	15% / 33 1/3% per annum reducing balance
Motor vehicles	25% per annum reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

##### 1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## ASSEMBLY TECHNIQUES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 1 Accounting policies

(Continued)

##### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are measured at transaction price less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

## **ASSEMBLY TECHNIQUES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **1 Accounting policies**

**(Continued)**

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

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 company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables are measured at the transaction price. Other financial liabilities, including bank loans, loans from fellow group companies and preference shares that are classified as debt, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.9 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.10 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.



## **ASSEMBLY TECHNIQUES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **1 Accounting policies**

**(Continued)**

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. Timing differences are differences between taxable profits and the results as stated in the financial statements which arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued asset and the resulting gain or loss has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates which are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws which have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non - discounted basis.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

# ASSEMBLY TECHNIQUES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 1 Accounting policies

(Continued)

##### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

##### 1.15 Investments

Fixed asset investments are stated at cost less provision for diminution in value. Current asset investments are stated at the lower of cost and net realisable value.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015 £	2014 £
Turnover	9,389,373	8,661,647

##### Other significant revenue

Interest income	7,567	12,416
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##### Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	6,599,853	6,376,944
Rest of the world	2,789,520	2,284,703
	9,389,373	8,661,647

**ASSEMBLY TECHNIQUES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2015****4 Operating profit**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	73,448	2,233
Fees payable to the company's auditors for the audit of the company's financial statements	8,500	8,500
Depreciation of owned tangible fixed assets	58,072	56,472
Depreciation of tangible fixed assets held under finance leases	54,618	47,801
Loss on disposal of tangible fixed assets	-	3,598
Operating lease charges	30,665	18,799
	<u>          </u>	<u>          </u>

**5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
Administration	12	10
Warehousing and Assembly	22	20
	<u>          </u>	<u>          </u>
	34	30
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,135,215	922,681
Social security costs	122,075	96,970
Pension costs	104,885	4,827
	<u>          </u>	<u>          </u>
	1,362,175	1,024,478
	<u>          </u>	<u>          </u>

**ASSEMBLY TECHNIQUES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2015****6 Directors' remuneration**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	364,811	328,996
Company pension contributions to defined contribution schemes	100,000	-
	<u>464,811</u>	<u>328,996</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2014 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	196,853	278,384
Company pension contributions to defined contribution schemes	50,000	-
	<u>246,853</u>	<u>278,384</u>

**7 Interest receivable and similar income**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	1,066	1,321
Other interest income	6,501	11,095
	<u>7,567</u>	<u>12,416</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	1,066	1,321
	<u>1,066</u>	<u>1,321</u>

**8 Interest payable and similar charges**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	11	6
Interest on finance leases and hire purchase contracts	12,664	10,243
	<u>12,675</u>	<u>10,249</u>

**9 Taxation**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	235,250	224,656
	<u>235,250</u>	<u>224,656</u>

# ASSEMBLY TECHNIQUES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 9 Taxation

(Continued)

#### Deferred tax

Origination and reversal of timing differences

(3,081)

(3,465)

Total tax charge

232,169

221,191

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	728,833	692,651
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 21.00%)	145,767	145,457
Tax effect of expenses that are not deductible in determining taxable profit	82,794	72,059
Effect of change in corporation tax rate	(215)	-
Permanent capital allowances in excess of depreciation	3,081	3,429
Other permanent differences	742	246
Tax expense for the year	232,169	221,191

### 10 Dividends

	2015 per share	2014 per share	2015 £	2014 £
Amounts recognised as distributions to equity holders:				
Ordinary shares				
Interim paid	138.00	66.79	1,380,000	667,880

**ASSEMBLY TECHNIQUES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2015****11 Tangible fixed assets**

	Land and buildings Freehold	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 January 2015	775,000	18,563	183,368	244,334	338,785	1,560,050
Additions	-	-	12,285	33,453	18,250	63,988
At 31 December 2015	775,000	18,563	195,653	277,787	357,035	1,624,038
<b>Depreciation and impairment</b>						
At 1 January 2015	107,212	-	140,140	178,385	86,862	512,599
Depreciation charged in the year	15,500	3,713	7,694	21,661	64,122	112,690
At 31 December 2015	122,712	3,713	147,834	200,046	150,984	625,289
<b>Carrying amount</b>						
At 31 December 2015	652,288	14,850	47,819	77,741	206,051	998,749
At 31 December 2014	667,788	18,563	43,228	65,949	251,923	1,047,451

**ASSEMBLY TECHNIQUES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2015****11 Tangible fixed assets****(Continued)**

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £54,618 (2014 - £47,801) for the year.

	2015 £	2014 £
Motor vehicles	177,542	213,910

The freehold land and buildings were valued on an open market basis by W.C. Dawson & Son Limited, a firm of independent Chartered Surveyors on 27th September 2013. The directors are of the opinion that there has been no material change in the estimated open market value of £680,000 as at 31st December 2015.

At 31 December 2015, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £570,789 (2014 - £584,352).

	2015 £	2014 £
Cost	678,167	678,167
Accumulated depreciation	107,378	93,815
Carrying value	570,789	584,352

**12 Stocks**

	2015 £	2014 £
Finished goods and goods for resale	1,076,708	522,726

**13 Debtors**

	2015 £	2014 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,269,376	1,359,334
Other debtors	40,467	815
Prepayments and accrued income	172,579	107,193
	1,482,422	1,467,342

**ASSEMBLY TECHNIQUES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2015****14 Creditors: amounts falling due within one year**

	Notes	2015 £	2014 £
Loans and overdrafts	16	280,101	-
Obligations under finance leases	17	113,048	93,917
Trade creditors		949,144	1,016,994
Amounts due to fellow group undertakings		1,314,058	37,663
Corporation tax		128,509	198,781
Other taxation and social security		108,705	174,295
Other creditors		13,957	12,955
Accruals and deferred income		154,347	147,695
		<u>3,061,869</u>	<u>1,682,300</u>

**15 Creditors: amounts falling due after more than one year**

	Notes	2015 £	2014 £
Obligations under finance leases	17	<u>44,162</u>	<u>98,431</u>

**16 Loans and overdrafts**

	2015 £	2014 £
Directors' loans	<u>280,101</u>	<u>-</u>
Payable within one year	<u>280,101</u>	<u>-</u>

**17 Finance lease obligations**

	2015 £	2014 £
Future minimum lease payments due under finance leases:		
Within one year	117,673	58,934
In two to five years	47,188	150,455
	<u>164,861</u>	<u>209,389</u>
Less: future finance charges	(7,651)	(17,041)
	<u>157,210</u>	<u>192,348</u>

It is the company's policy to lease motor vehicles under finance leases. The lease terms vary between 24 and 36 months. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.



# ASSEMBLY TECHNIQUES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 18 Provisions for liabilities

	Notes	2015 £	2014 £
Deferred tax liabilities	19	6,307	9,388
		<u>6,307</u>	<u>9,388</u>

### 19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £
<b>Balances:</b>		
Accelerated capital allowances	<u>6,307</u>	<u>9,388</u>

There were no deferred tax movements in the year.

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 20 Retirement benefit schemes

#### Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £104,885 (2014 - £4,827).

### 21 Share capital

	2015 £	2014 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

### 22 Financial commitments, guarantees and contingent liabilities

There are unlimited cross guarantees between the company and its parent. The bank loans in the parent of £183,249 (2014: £240,736) are secured by a first legal charge over the property and associated assets in Assembly Techniques Limited.

# ASSEMBLY TECHNIQUES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 23 Operating lease commitments

##### Lessee

Operating lease payments represent rentals payable by the company for its property. The lease has been negotiated and fixed for a term of 5 years.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Within one year	29,750	29,750
Between two and five years	79,333	109,083
	<u>109,083</u>	<u>138,833</u>

#### 24 Related party transactions

The company has taken advantage of the exemption available in FRS 102 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

#### 25 Directors' transactions

During the year the company advanced funds to N P Downing, a director totalling £436,398 (2014: £506,867), charged interest of £6,501 (2014: £10,067) and received repayments totalling £3,000 (2014: £522,392). At the balance sheet date £280,101 (2014: £nil) was owed to N P Downing by the company.

At the balance sheet date £815 (2014: £815) was owed by P Hudson to the company.

#### 26 Controlling party

The parent company is Assembly Techniques (Holdings) Limited.

The ultimate controlling party is N P Downing.

**ASSEMBLY TECHNIQUES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

<b>27</b>	<b>Cash generated from operations</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Profit for the year	496,664	471,460
	<b>Adjustments for:</b>		
	Tax expense recognised in profit or loss	232,169	221,191
	Finance costs recognised in profit or loss	12,675	10,249
	Investment income recognised in profit or loss	(7,567)	(12,416)
	(Gain)/loss on disposal of tangible fixed assets	-	3,598
	Depreciation and impairment of tangible fixed assets	112,690	104,273
	<b>Movements in working capital:</b>		
	(Increase) in stocks	(553,982)	(167)
	(Increase) in debtors	(15,080)	(141,167)
	Increase in creditors	1,150,609	139,445
	<b>Cash generated from operations</b>	<b>1,428,178</b>	<b>796,466</b>