

Registration number: 02486205

GEOfabrics Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015

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GEOfabrics Limited

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GEOfabrics Limited

Company Information

Directors	M A Pass D A Pass S A Pass G H Donald M Boothroyd
Company secretary	M Boothroyd
Registered office	Skelton Grange Road Stourton Leeds West Yorkshire LS10 1RZ
Bankers	National Westminster Bank plc 5 Market Place Chesterfield Derbyshire S40 1TJ
Auditors	Hawsons Chartered Accountants Statutory Auditor Pegasus House 463a Glossop Road Sheffield S10 2QD

GEOfabrics Limited

Statement of Directors' Responsibilities for the Year Ended 31 December 2015

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 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.

GEOfabrics Limited**(Registration number: 02486205)****Balance Sheet as at 31 December 2015**

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	4	445,833	556,902
Investments	5	<u>4</u>	<u>4</u>
		<u>445,837</u>	<u>556,906</u>
Current assets			
Stocks	6	1,220,181	1,204,719
Debtors	7	1,521,484	1,448,402
Cash at bank and in hand		<u>962,973</u>	<u>263,080</u>
		3,704,638	2,916,201
Creditors: Amounts falling due within one year	8	<u>(1,909,081)</u>	<u>(1,213,416)</u>
Net current assets		<u>1,795,557</u>	<u>1,702,785</u>
Total assets less current liabilities		2,241,394	2,259,691
Provisions for liabilities		<u>(103,600)</u>	<u>(168,200)</u>
Net assets		<u>2,137,794</u>	<u>2,091,491</u>
Capital and reserves			
Called up share capital		1,500,000	1,500,000
Retained earnings		<u>637,794</u>	<u>591,491</u>
Total equity		<u>2,137,794</u>	<u>2,091,491</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A Small Entities.

These financial statements were approved and authorised for issue by the Board on 8/9/16 and signed on its behalf by:



G H Donald
Director



M Boothroyd
Director

The notes on pages 4 to 14 form an integral part of these financial statements.

GEOfabrics Limited

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

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with the provisions of Financial Reporting Standard 102 Section 1A Small Entities.

Basis of preparation

These financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS 102 Section 1A Small Entities. The date of transition is 1 January 2014.

The transition to FRS 102 Section 1A Small Entities has resulted in a small number of changes in accounting policies to those used previously.

The nature of these changes and their impact on opening equity and profit for the comparative period are explained in note 14 below.

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Exemption from preparing group accounts

The financial statements contain information about GEOfabrics Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, GEOfabrics Holdings Limited, a company incorporated in England and Wales.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Tax

The tax expense for the period comprises current tax and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

GEOfabrics Limited

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

1 Accounting policies (continued)

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax shall be recognised in respect of all timing differences at the reporting date, except as otherwise required by FRS102. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Unrelieved tax losses and other deferred tax assets shall be 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.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class

Short leasehold land and buildings

Plant and machinery

Motor vehicles

Depreciation method and rate

straight line over the period of the lease

10% to 40% straight line per annum

20% straight line per annum

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

GEOfabrics Limited

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

1 Accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Defined benefit pension obligation

The company contributes to a multi employer defined benefit pension scheme, the liability for which was brought into the financial statements on transition to FRS 102 Section 1A Small Entities.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the company share of the funding deficit as calculated by the scheme actuary at the reporting dates.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

2 Profit before tax

Arrived at after charging/(crediting)

	2015 £	2014 £
Depreciation expense	158,740	201,048
Auditor's remuneration - the audit of the company's annual accounts	6,700	6,500
Foreign exchange gains	(300)	(1,337)
Operating lease expense - property	155,000	155,000
(Profit)/loss on disposal of property, plant and equipment	<u>(1,400)</u>	<u>2,842</u>

GEOfabrics Limited

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

3 Staff numbers

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

	2015 No.	2014 No.
Production	11	9
Administration and support	8	8
Sales, marketing and distribution	3	3
	<u>22</u>	<u>20</u>

4 Tangible assets

	Short leasehold land and buildings £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation				
At 1 January 2015	235,994	134,415	3,342,500	3,712,909
Additions	-	35,583	19,688	55,271
Disposals	-	(33,768)	(7,557)	(41,325)
At 31 December 2015	<u>235,994</u>	<u>136,230</u>	<u>3,354,631</u>	<u>3,726,855</u>
Depreciation				
At 1 January 2015	157,293	80,938	2,917,776	3,156,007
Charge for the year	16,108	25,494	117,138	158,740
Eliminated on disposal	-	(26,450)	(7,275)	(33,725)
At 31 December 2015	<u>173,401</u>	<u>79,982</u>	<u>3,027,639</u>	<u>3,281,022</u>
Carrying amount				
At 31 December 2015	<u>62,593</u>	<u>56,248</u>	<u>326,992</u>	<u>445,833</u>
At 31 December 2014	<u>78,701</u>	<u>53,477</u>	<u>424,724</u>	<u>556,902</u>

5 Investments in subsidiaries, joint ventures and associates

	2015 £	2014 £
Investments in subsidiaries	<u>4</u>	<u>4</u>

GEOfabrics Limited

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

5 Investments in subsidiaries, joint ventures and associates (continued)

Subsidiaries	£
Cost or valuation	
At 1 January 2015 and at 31 December 2015	<u>4</u>
Carrying amount	
At 31 December 2015	<u>4</u>
At 31 December 2014	<u>4</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held 2015	2014
Subsidiary undertakings				
GEOtextiles Limited	England and Wales	Ordinary shares	100%	100%
GEOsynthetics Laboratories Limited	England and Wales	Ordinary shares	100%	100%

GEOtextiles Limited and GEOsynthetics Laboratories Limited are both dormant companies.

6 Stocks

	2015 £	2014 £
Raw materials	479,923	393,226
Finished goods	<u>740,258</u>	<u>811,493</u>
	<u>1,220,181</u>	<u>1,204,719</u>

7 Debtors

	2015 £	2014 £
Trade debtors	1,430,284	1,391,502
Prepayments and accrued income	<u>91,200</u>	<u>56,900</u>
	<u>1,521,484</u>	<u>1,448,402</u>

GEOfabrics Limited

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

8 Creditors

	2015 £	2014 £
Due within one year		
Trade creditors	1,183,461	555,775
Amounts due to related parties	110,912	110,912
Social security and other taxes	152,277	71,219
Accrued expenses	312,431	349,260
Income tax liability	150,000	126,250
	<u>1,909,081</u>	<u>1,213,416</u>

GEOfabrics Limited

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

9 Pension and other schemes

Defined benefit pension schemes

Heckmondwike Carpets Limited Staff Retirement Benefit Plan (1974)

This is a multi-employer defined benefit scheme. The scheme is funded and is contracted out of the state scheme. The scheme was closed on 31 May 2009.

A formal valuation of the scheme was performed as at 5 April 2013 by a professionally qualified actuary using the attained age valuation method.

Contributions totalling £52,098 were paid into the scheme during the year ended 31 December 2015.

Contributions totalling £39,073 (2014 - £39,073) were payable to the scheme at the end of the year and are included in creditors.

It is not possible to identify the share of the underlying assets and liabilities belonging to individual participating employers.

The financial assumptions underlying the valuation as at 5 April 2013 were as follows:

- Rate of return on future contributions 3.0% per annum
- Rate of return on accumulated assets 4.5% per annum
- Rate of salary increases are not applicable as the Scheme is paid up with no active members
- Rate of pension increases 2.5% per annum on the pension accrued before 6 April 1997; 3.0% per annum on the pension accrued after 6 April 1997 and before 28 May 2009; and 2.5% per annum on the pension accrued after 28 May 2009
- Rate of price inflation 3.0% per annum.

The valuation revealed a deficit of assets compared with the value of liabilities of £3,178,000 (equivalent to a past service projected funding level of 68.3%).

An updated actuarial position was determined at 5 April 2014 by the scheme's actuary which showed an approximate updated valuation. The updated valuation revealed an approximate deficit of assets compared with the value of the liabilities of £1,295,000 (equivalent to a past service projected funding level of 85.4%).

The Trustees and the Employer agreed and signed a recovery plan on 21 January 2014 designed to eliminate the deficit of £3,178,000 disclosed by the scheme-specific actuarial valuation as at 5 April 2013. Under that recovery plan the Employer agreed to make a fixed contribution of £322,100 payable annually in arrears for a period of 10 years from the formal review date. In setting that level of contribution an allowance was made for an overall investment return of 4.50% per annum, which was equal to the discount rate used for the calculation of technical provisions. It was expected that the overall investment rate of return would be earned over the whole of the term of the recovery plan.

The scheme actuary prepared an informal valuation of the scheme for the purposes of FRS 102 disclosures and the company share of the funding deficit has been brought into these financial statements in accordance with FRS 102 Section 1A Small Entities.

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

10 Commitments

The company had total guarantees and commitments at the balance sheet date of £594,167 (2014 - £749,167).

11 Parent and ultimate parent undertaking

The company's immediate parent is GEOfabrics Group Limited, incorporated in England and Wales. The registered office address is Skelton Grange Road, Stourton, Leeds, West Yorkshire, LS10 1RZ.

At the balance sheet date the ultimate parent is GEOfabrics Holdings Limited, incorporated in England and Wales.

12 Non adjusting events after the financial period

Subsequent to the balance sheet date, the ultimate parent company, GEOfabrics Holdings Limited, was sold to M T Pass Holdings Limited on 18 August 2016.

13 Disclosure under Section 444 (5B) CA 2006 relating to the Independent Auditor's Report

As permitted by Section 444 CA 2006, these accounts do not contain a copy of the company's profit and loss account for the year or a copy of the directors' report. Accordingly, the independent auditor's report has also been omitted.

The independent auditor's report for the year was not qualified.

The auditor was Hawsons Chartered Accountants and Richard Frost signed the auditor's report as senior statutory auditor.

GEOfabrics Limited

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

14 Transition to FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014.

The impact from the transition to FRS 102 is as follows:-

Balance Sheet at 1 January 2014

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Tangible assets	747,676	-	-	747,676
Investments	4	-	-	4
	<u>747,680</u>	<u>-</u>	<u>-</u>	<u>747,680</u>
Current assets				
Stocks	1,035,911	-	-	1,035,911
Debtors	1,481,312	-	-	1,481,312
Cash at bank and in hand	1,055,242	-	-	1,055,242
	<u>3,572,465</u>	<u>-</u>	<u>-</u>	<u>3,572,465</u>
Creditors: Amounts falling due within one year	<u>(1,788,300)</u>	<u>-</u>	<u>-</u>	<u>(1,788,300)</u>
Net current assets	<u>1,784,165</u>	<u>-</u>	<u>-</u>	<u>1,784,165</u>
Total assets less current liabilities	2,531,845	-	-	2,531,845
Provisions for liabilities	<u>(45,000)</u>	<u>-</u>	<u>(93,600)</u>	<u>(138,600)</u>
Net assets/(liabilities)	<u>2,486,845</u>	<u>-</u>	<u>(93,600)</u>	<u>2,393,245</u>
Capital and reserves				
Called up share capital	1,500,000	-	-	1,500,000
Retained earnings	<u>986,845</u>	<u>-</u>	<u>(93,600)</u>	<u>893,245</u>
Total equity	<u>2,486,845</u>	<u>-</u>	<u>(93,600)</u>	<u>2,393,245</u>

GEOfabrics Limited

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

14 Transition to FRS 102 (continued)

Balance Sheet at 31 December 2014

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Tangible assets	556,902	-	-	556,902
Investments	4	-	-	4
	<u>556,906</u>	<u>-</u>	<u>-</u>	<u>556,906</u>
Current assets				
Stocks	1,204,719	-	-	1,204,719
Debtors	1,448,402	-	-	1,448,402
Cash at bank and in hand	263,080	-	-	263,080
	<u>2,916,201</u>	<u>-</u>	<u>-</u>	<u>2,916,201</u>
Creditors: Amounts falling due within one year	(1,213,416)	-	-	(1,213,416)
Net current assets	<u>1,702,785</u>	<u>-</u>	<u>-</u>	<u>1,702,785</u>
Total assets less current liabilities	2,259,691	-	-	2,259,691
Provisions for liabilities	(25,000)	-	(143,200)	(168,200)
Net assets/(liabilities)	<u>2,234,691</u>	<u>-</u>	<u>(143,200)</u>	<u>2,091,491</u>
Capital and reserves				
Called up share capital	1,500,000	-	-	1,500,000
Retained earnings	734,691	-	(143,200)	591,491
Total equity	<u>2,234,691</u>	<u>-</u>	<u>(143,200)</u>	<u>2,091,491</u>

GEOfabrics Limited

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

14 Transition to FRS 102 (continued)

Profit and Loss Account for the year ended 31 December 2014

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover	6,377,671	-	-	6,377,671
Cost of sales	<u>(4,136,856)</u>	<u>-</u>	<u>-</u>	<u>(4,136,856)</u>
Gross profit	2,240,815	-	-	2,240,815
Distribution costs	(346,915)	-	-	(346,915)
Administrative expenses	<u>(1,389,237)</u>	<u>-</u>	<u>52,098</u>	<u>(1,337,139)</u>
Operating profit	<u>504,663</u>	<u>-</u>	<u>52,098</u>	<u>556,761</u>
Other interest receivable and similar income	2,936	-	-	2,936
Interest payable and similar charges	<u>-</u>	<u>-</u>	<u>(114,098)</u>	<u>(114,098)</u>
	<u>2,936</u>	<u>-</u>	<u>(114,098)</u>	<u>(111,162)</u>
Profit/(loss) before tax	507,599	-	(62,000)	445,599
Taxation	<u>(109,753)</u>	<u>-</u>	<u>12,400</u>	<u>(97,353)</u>
Profit/(loss) for the financial year	<u>397,846</u>	<u>-</u>	<u>(49,600)</u>	<u>348,246</u>

Defined benefit pension scheme

The company is a member of a multi employer defined benefit pension plan that shares risks between entities under common control or with existing obligations to meet future liabilities of the plan (Heckmondwike Carpets Limited Staff Retirement Benefit Plan (1974)). Under previous UK GAAP this scheme was accounted for as a defined contribution scheme, whereas under FRS 102 as the company is not the sponsoring employer but is a component contributor and therefore is partially legally responsible for the plan, it has recognised the liability attributable to the company in respect of the plan in its individual financial statements. At 1 January 2014 and 31 December 2014, the net deficit of the plan attributable to the company was £117,000 and £179,000 respectively.

Deferred tax

In the company a deferred tax asset has been recognised in respect of the defined benefit pension scheme liability. Under previous UK GAAP this scheme had been recognised as a defined contribution scheme, whereas on transition to FRS 102 this is treated as a defined benefit scheme by the company for the reasons outlined above. At 1 January 2014 and 31 December 2014, the deferred tax asset arising from the net deficit of the plan attributable to the company was £23,400 and £35,800 respectively.