

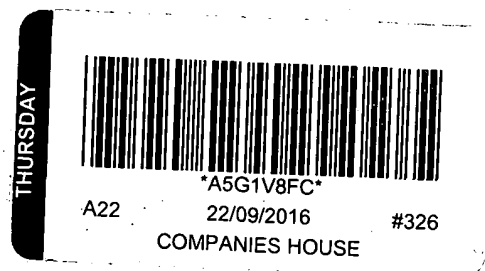


Smailes Goldie
Chartered Accountants

Ideal Building Systems Limited

Financial Statements

31st December 2015



Ideal Building Systems Limited (Registered number: 02772805)

Contents of the Financial Statements

for the year ended 31st December 2015

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Ideal Building Systems Limited

Company Information

for the year ended 31st December 2015

DIRECTORS:

P E Benmasaud
P R Coates
M R Laverack

SECRETARY:

P E Benmasaud

REGISTERED OFFICE:

Ideal Building Systems Limited
Lancaster Road
Carnaby Industrial Estate
Bridlington
East Yorkshire
YO15 3QY

REGISTERED NUMBER:

02772805 (England and Wales)

AUDITORS:

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

Ideal Building Systems Limited (Registered number: 02772805)

Strategic Report

for the year ended 31st December 2015

The directors present their strategic report for the year ended 31st December 2015.

REVIEW OF BUSINESS


The results for the year and the financial position of the company are as shown in the annexed financial statements.

The directors consider the financial performance of the company for the year to be extremely positive and are better than expected. Since the year end the strong order book has continued and the directors anticipate a similar financial performance in the year to 31st December 2016. The key performance indicators of turnover and profit after tax are evident from the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks and uncertainties affecting the company are considered to relate to competition from both national and independent businesses.

ON BEHALF OF THE BOARD:



P E Benmasaud - Secretary

20th April 2016

Ideal Building Systems Limited (Registered number: 02772805)

Report of the Directors

for the year ended 31st December 2015

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture of prefabricated buildings.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2015.

DIRECTORS

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

P E Benmasaud
P R Coates
M R Laverack

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

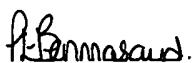
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



P E Benmasaud - Secretary

20th April 2016

Report of the Independent Auditors to the Members of Ideal Building Systems Limited

We have audited the financial statements of Ideal Building Systems Limited for the year ended 31st December 2015 on pages six to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of Ideal Building Systems Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Ian Lamb FCA CF (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

20th April 2016

Ideal Building Systems Limited (Registered number: 02772805)

Statement of Comprehensive Income

for the year ended 31st December 2015

	Notes	2015 £	2014 £
TURNOVER		14,419,135	10,466,909
Cost of sales		<u>11,705,734</u>	<u>8,718,492</u>
GROSS PROFIT		2,713,401	1,748,417
Administrative expenses		<u>1,982,326</u>	<u>1,381,970</u>
		731,075	366,447
Other operating income		<u>73,032</u>	<u>6,762</u>
OPERATING PROFIT	3	804,107	373,209
Interest receivable and similar income		<u>1,319</u>	<u>3,188</u>
		805,426	376,397
Interest payable and similar charges	4	<u>23,121</u>	<u>24,057</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		782,305	352,340
Tax on profit on ordinary activities	5	<u>165,221</u>	<u>76,110</u>
PROFIT FOR THE FINANCIAL YEAR		617,084	276,230
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>617,084</u>	<u>276,230</u>

The notes form part of these financial statements

Ideal Building Systems Limited (Registered number: 02772805)

Balance Sheet

31st December 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	6	-	-
Tangible assets	7	123,485	96,485
Investments	8	189,620	189,620
		313,105	286,105
CURRENT ASSETS			
Stocks	9	228,409	650,790
Debtors	10	9,989,193	8,244,265
Cash at bank and in hand		97,971	449,378
		10,315,573	9,344,433
CREDITORS			
Amounts falling due within one year	11	2,650,719	2,255,194
NET CURRENT ASSETS		7,664,854	7,089,239
TOTAL ASSETS LESS CURRENT LIABILITIES		7,977,959	7,375,344
CREDITORS			
Amounts falling due after more than one year	12	(6,996)	(27,068)
PROVISIONS FOR LIABILITIES	15	(8,346)	(2,743)
NET ASSETS		7,962,617	7,345,533
CAPITAL AND RESERVES			
Called up share capital	16	10,000	10,000
Revaluation reserve	17	189,540	189,540
Retained earnings	17	7,763,077	7,145,993
SHAREHOLDERS' FUNDS		7,962,617	7,345,533

The financial statements were approved by the Board of Directors on 20th April 2016 and were signed on its behalf by:


P R Coates - Director


M R Laverack - Director


P E Benmasaud - Director

The notes form part of these financial statements

Ideal Building Systems Limited (Registered number: 02772805)

Statement of Changes in Equity

for the year ended 31st December 2015

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1st January 2014	10,000	6,869,763	189,540	7,069,303
Changes in equity				
Total comprehensive income	-	276,230	-	276,230
Balance at 31st December 2014	10,000	7,145,993	189,540	7,345,533
Changes in equity				
Total comprehensive income	-	617,084	-	617,084
Balance at 31st December 2015	10,000	7,763,077	189,540	7,962,617

The notes form part of these financial statements

Ideal Building Systems Limited (Registered number: 02772805)

Notes to the Financial Statements

for the year ended 31st December 2015

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Ideal Building Systems Limited is a limited company incorporated in the United Kingdom. The address of the registered office is given in the company information on page 1 of these financial statements.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The company adopted FRS 102 in the current year and an explanation of how transition to FRS 102 has affected the reported financial position and performance is given in note 24.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d).

Preparation of consolidated financial statements

The financial statements contain information about Ideal Building Systems 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 requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Ideal Building Systems Holdings Limited, a company incorporated in the UK.

Turnover

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Sale of goods

Turnover from the sale of prefabricated units is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

Construction contracts

When the outcome of a construction contract can be estimated reliably, contract costs and turnover are recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to costs incurred to date and estimated costs to complete.

Where the outcome cannot be measured reliably, contract costs are recognised as an expense in the period in which they are incurred and contract turnover is recognised to the extent of costs incurred that it is probable will be recoverable.

When it is probable that contract costs will exceed the total contract turnover, the expected loss is recognised as an expense immediately, with a corresponding provision.

Interest and other income

Ideal Building Systems Limited (Registered number: 02772805)

Notes to the Financial Statements - continued

for the year ended 31st December 2015

Interest income is recognised using the effective interest method.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1993, was amortised evenly over its estimated useful life of twenty years.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold improvements	- 20% on cost
Plant and machinery etc	- 15% on cost and 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 20% on cost and 15% on reducing balance

Government grants

The company receives government grants in respect of business growth. These grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the accrual model.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Long term contracts are stated at cost net of amounts transferred to cost of sales less any foreseeable losses and progress payments receivable, not matched with turnover. Cost consists of direct materials, direct labour and appropriate related overheads.

Profit on long term contracts is recognised when the outcome of contracts can be assessed with reasonable certainty and is that amount which is estimated to fairly reflect the profit arising up to the accounting date. Profit on long term contracts is recognised in the profit and loss account as the difference between the reported turnover and related costs.

Tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. 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 expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Ideal Building Systems Limited (Registered number: 02772805)

Notes to the Financial Statements - continued

for the year ended 31st December 2015

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Employee benefits

When employees have rendered service to the company, short term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operated a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and are receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Investments

Other investments are measured at cost less impairment.

2. STAFF COSTS

	2015 £	2014 £
Wages and salaries	2,052,513	1,572,573
Social security costs	179,370	147,578
Other pension costs	36,817	21,703
	<u>2,268,700</u>	<u>1,741,854</u>

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

	2015	2014
Management	3	3
Direct and administration	58	48
	<u>61</u>	<u>51</u>

Ideal Building Systems Limited (Registered number: 02772805)

Notes to the Financial Statements - continued for the year ended 31st December 2015

3. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Other operating leases	137,407	91,325
Depreciation - owned assets	13,879	6,085
Depreciation - assets on hire purchase contracts	8,909	13,058
Loss on disposal of fixed assets	-	254
Auditors' remuneration	<u>4,200</u>	<u>4,100</u>
Directors' remuneration	<u>15,703</u>	<u>15,118</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Other interest	21,078	22,189
Hire purchase	<u>2,043</u>	<u>1,868</u>
	<u>23,121</u>	<u>24,057</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2015 £	2014 £
Current tax:		
UK corporation tax	159,618	76,528
Deferred tax	<u>5,603</u>	<u>(418)</u>
Tax on profit on ordinary activities	<u>165,221</u>	<u>76,110</u>

Ideal Building Systems Limited (Registered number: 02772805)

Notes to the Financial Statements - continued

for the year ended 31st December 2015

5. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>782,305</u>	<u>352,340</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 21%)	156,461	73,991
Effects of:		
Expenses not deductible for tax purposes	6,947	1,911
Depreciation in excess of capital allowances	(131)	(1,032)
Change in standard rate of corporation tax	1,944	1,768
Marginal relief	-	(528)
Total tax charge	<u>165,221</u>	<u>76,110</u>

6. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1st January 2015	
and 31st December 2015	<u>10,000</u>
AMORTISATION	
At 1st January 2015	
and 31st December 2015	<u>10,000</u>
NET BOOK VALUE	
At 31st December 2015	<u>-</u>
At 31st December 2014	<u>-</u>

Ideal Building Systems Limited (Registered number: 02772805)

Notes to the Financial Statements - continued

for the year ended 31st December 2015

7. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1st January 2015	34,734	175,507	66,174	51,216	327,631
Additions	<u>12,115</u>	<u>36,573</u>	<u>-</u>	<u>1,100</u>	<u>49,788</u>
At 31st December 2015	<u>46,849</u>	<u>212,080</u>	<u>66,174</u>	<u>52,316</u>	<u>377,419</u>
DEPRECIATION					
At 1st January 2015	34,703	136,484	14,527	45,432	231,146
Charge for year	<u>1,849</u>	<u>9,240</u>	<u>8,909</u>	<u>2,790</u>	<u>22,788</u>
At 31st December 2015	<u>36,552</u>	<u>145,724</u>	<u>23,436</u>	<u>48,222</u>	<u>253,934</u>
NET BOOK VALUE					
At 31st December 2015	<u>10,297</u>	<u>66,356</u>	<u>42,738</u>	<u>4,094</u>	<u>123,485</u>
At 31st December 2014	<u>31</u>	<u>39,023</u>	<u>51,647</u>	<u>5,784</u>	<u>96,485</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1st January 2015	66,174
Transfer to ownership	<u>(9,450)</u>
At 31st December 2015	<u>56,724</u>
DEPRECIATION	
At 1st January 2015	14,527
Charge for year	8,909
Transfer to ownership	<u>(5,020)</u>
At 31st December 2015	<u>18,416</u>
NET BOOK VALUE	
At 31st December 2015	<u>38,308</u>
At 31st December 2014	<u>51,647</u>

Ideal Building Systems Limited (Registered number: 02772805)

Notes to the Financial Statements - continued for the year ended 31st December 2015

8. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST OR VALUATION	
At 1st January 2015	
and 31st December 2015	<u>189,620</u>
NET BOOK VALUE	
At 31st December 2015	<u>189,620</u>
At 31st December 2014	<u>189,620</u>

Cost or valuation at 31st December 2015 is represented by:

	Unlisted investments £
Valuation in 2007	189,540
Cost	<u>80</u>
	<u>189,620</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Idacom Steel Buildings Limited

Nature of business: Construction of steel buildings

	% holding
Class of shares:	
Ordinary	80.00

9. STOCKS

	2015 £	2014 £
Raw materials	152,703	175,212
Work-in-progress	<u>75,706</u>	<u>475,578</u>
	<u>228,409</u>	<u>650,790</u>

Stock recognised in cost of sales during the year as an expense was £3,945,679 (2014 £3,580,731).

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	2,563,378	962,134
Amounts owed by group undertakings	7,558	4,842
Other debtors	87,672	-
Amounts owed by group undertakings	6,948,285	6,995,821
Prepayments and accrued income	<u>382,300</u>	<u>281,468</u>
	<u>9,989,193</u>	<u>8,244,265</u>

Ideal Building Systems Limited (Registered number: 02772805)

Notes to the Financial Statements - continued

for the year ended 31st December 2015

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Hire purchase contracts (see note 13)	20,072	11,788
Trade creditors	1,101,421	856,789
Amounts owed to group undertakings	852,153	745,643
Tax	159,618	76,528
Social security and other taxes	82,306	56,207
VAT	192,484	52,439
Other creditors	50,000	247,233
Accruals and deferred income	192,665	208,567
	<u>2,650,719</u>	<u>2,255,194</u>

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

	2015	2014
	£	£
Hire purchase contracts (see note 13)	<u>6,996</u>	<u>27,068</u>

13. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2015	2014
	£	£
Net obligations repayable:		
Within one year	20,072	11,788
Between one and five years	<u>6,996</u>	<u>27,068</u>
	<u>27,068</u>	<u>38,856</u>

	Non-cancellable operating leases	
	2015	2014
	£	£
Within one year	97,200	37,033
Between one and five years	288,800	-
In more than five years	<u>300,833</u>	<u>-</u>
	<u>686,833</u>	<u>37,033</u>

Ideal Building Systems Limited (Registered number: 02772805)

Notes to the Financial Statements - continued

for the year ended 31st December 2015

14. SECURED DEBTS

The following secured debts are included within creditors:

	2015 £	2014 £
Invoice finance	<u>-</u>	<u>223,233</u>

At the year end 31 December 2015 there is no liability in relation to invoice financing. At 31 December 2015, £2,152,568 of the total trade debtors balance are factored and are due to be collected through invoice finance. The amount outstanding is secured by way of a charge and the assignment of debts.

15. PROVISIONS FOR LIABILITIES

The deferred tax balance comprises of accelerated capital allowances only both in the year ended 31 December 2015 and 31 December 2014.

The expected net reversal of deferred tax liabilities in 2016 is £3,238 this is due to the reversal of accelerated capital allowances.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

Ideal Building Systems Limited (Registered number: 02772805)

Notes to the Financial Statements - continued

for the year ended 31st December 2015

17. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1st January 2015	7,145,993	189,540	7,335,533
Profit for the year	<u>617,084</u>		<u>617,084</u>
At 31st December 2015	<u>7,763,077</u>	<u>189,540</u>	<u>7,952,617</u>

Called up share capital

Called up share capital represents the nominal value of shares that have been issued.

Share Premium account

The share premium account represents the premium arising on the issue of shares net of issue costs.

Revaluation reserve

The revaluation reserve represents the cumulate effect of revaluations of fixed asset investments in respect of a subsidiary company.

Capital Redemption reserve

The capital redemption reserve represents the non distributable reserves transferred after a purchase of the company's own shares.

Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

18. PENSION COMMITMENTS

The company makes payments to a defined contribution pension scheme. The charge for the year amounted to £36,817 (2014 £21,703). The amount outstanding at 31st December 2015 was £2,375 (2014 £1,469).

19. ULTIMATE PARENT COMPANY

The ultimate parent company is Ideal Building Systems Holdings Limited.

The largest and smallest group in which the results of the company are consolidated is that headed by Ideal Building Systems Holdings Limited. The consolidated financial statements of the group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

20. CONTINGENT LIABILITIES

The company has entered into an unlimited guarantee in respect of the bank borrowings of its ultimate parent company, Ideal Building Systems Holdings Limited. At 31st December 2015 the potential liability of the company under the arrangement was £Nil (2014 £415,500).

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Included within creditors is an amount due to P R Coates, a director, of £1,034 (2014 £487).

Ideal Building Systems Limited (Registered number: 02772805)

Notes to the Financial Statements - continued

for the year ended 31st December 2015

22. RELATED PARTY DISCLOSURES

Entities with control, or significant influence over the entity.

During the year the company leased land and buildings from Speed 9861 Limited, a company of which M R Laverack is a director and shareholder. The total rent payable to Speed 9861 Limited during the year ended 31st December 2015 was £72,700 (2014 £72,700).

The company trades on normal commercial terms with its 80% subsidiary, Idacom Steel Buildings Limited.

During the year the company made purchases of £1,660,449 (2014 £1,593,684) from Idacom Steel Buildings Limited. There was a balance of £852,153 (2014 £745,643) due to Idacom Steel Buildings Limited at 31st December 2015.

During the year the company made sales of £26,588 (2014 £19,042) to Idacom Steel Buildings Limited. There was a balance of £7,558 (2014 £4,842) due from Idacom Steel Buildings Limited at 31st December 2015.

23. ULTIMATE CONTROLLING PARTY

The company is controlled by P R Coates by virtue of his majority shareholding in Ideal Building Systems Holdings Limited, the ultimate parent company.

24. FIRST YEAR ADOPTION

The company has adopted FRS 102 for the first time in the year ended 31st December 2015.

The effect of transition from FRSSE 2008 to FRS 102 is outlined below:

a) Changes in accounting policies and effect on disclosures

There were no consequential changes in accounting policies as a result of the transition to FRS 102, with the exception of inter company balances which have been reclassified as due within one year. As these loans are technically repayable on demand FRS 102 requires that they be shown as due within one year. The amount reclassified in relation to 31st December 2014 was a debtor of £6,995,821.

b) Reconciliation of equity shareholders' funds

There were no adjustments to previously reported equity shareholders' funds at the date of transition to FRS 102.

c) Reconciliation of comparative period profit or loss

There were no adjustments to previously reported profit or loss in the comparative period.