

HALIFAX FAN LIMITED

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 December 2016**

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HALIFAX FAN LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report together with the accounts for the year ended 31 December 2016.

1. Principal activities and review of the year

The principal activity of the Company continued to be that of the manufacture and sale of industrial fans. The results of the Company are included in the accounts on pages 5 to 19.

The financial information has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Comparative information has also been stated on an IFRS basis.

The Directors do not expect any significant change in the level of business in the foreseeable future.

2. Dividend

The Directors do not recommend a dividend (2015: £nil).

3. Directors

The Directors who served throughout the year were:

M Staff

4. Financial risk management

Details of the Company's risk management objectives are given in note 24.

5. Directors' responsibility statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006. 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 total comprehensive income 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 judgments and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union.

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.

6. Disclosure of Information to the auditors

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware there was no relevant available information of which the Company's auditors were unaware; and
- that Director had taken all steps that the Director ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

HALIFAX FAN LIMITED

7. Auditors

Under section 487(2) of the Companies Act 2006, Nexia Smith & Williamson will be deemed to have been reappointed as auditors.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By Order of the Board



22/09/17

M. Staff
Director
For and on behalf of the Board of Directors

Date:

Registered Office Address: Mistral Works, Unit 11, Elland Road, Brighouse, West Yorkshire HD6 2SD.

HALIFAX FAN LIMITED

Nexia Smith & Williamson

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HALIFAX FAN LIMITED

We have audited the financial statements of Halifax Fan Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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, based on the work undertaken in the course of the audit:

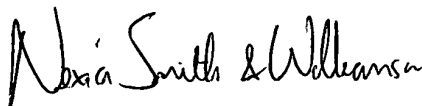
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' Report has been prepared in accordance with the applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Andrew Edmonds

Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

Date: 22/9/17

HALIFAX FAN LIMITED

Statement of Comprehensive Income For the year ended 31 December 2016

	NOTES	Year ended 2016 £'000	Year ended 2015 £'000
Continuing operations			
Revenue	2	4,513	4,840
Cost of sales		(3,325)	(3,419)
Gross profit		1,188	1,421
Administrative expenses		(1,128)	(1,505)
Operating profit / (loss)	4	60	(84)
Finance costs		(48)	(41)
Profit / (loss) before tax		12	(126)
Taxation	8	38	50
Profit / (loss) and total comprehensive profit (loss) for the year		50	(75)

HALIFAX FAN LIMITED **Primary financial statements**

Statement of Changes in Equity **For the year ended 31 December 2016**

	Share Capital £'000	Retained Earnings £'000	Total Equity £'000
Balance at 31 December 2014	13	462	475
Loss and total comprehensive loss for the year ended 31 December 2015	-	(75)	(75)
Balance at 31 December 2015	13	387	400
Profit and total comprehensive profit for the year ended 31 December 2016	-	50	50
Balance at 31 December 2016	13	437	450

HALIFAX FAN LIMITED **Primary financial statements**

Registered No. 02960571
Statement of Financial Position
At 31 December 2016

NOTES

		Year ended 2016 £'000	Year ended 2015 £'000
Non-current assets			
Intangible assets	9	70	111
Property, plant & equipment	10	154	139
		224	250
Current Assets			
Inventories	11	285	183
Trade and other receivables	12	2,034	1,816
Current tax receivable	12	25	38
Cash and cash equivalents	13	25	29
		2,369	2,066
Total assets		2,593	2,316
Current liabilities			
Trade and other payables	14	(1,901)	(1,702)
Net current assets		468	364
Non-current liabilities			
Provisions	15	(214)	(180)
Deferred tax liabilities	16	(28)	(34)
		(242)	(214)
Net assets		450	400
Equity			
Capital and Reserves			
Share capital	17	13	13
Retained earnings	18	437	387
Total equity		450	400

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

M Staff
Director

Date



22.09.17.

HALIFAX FAN LIMITED

Notes to the financial statements

1. Accounting policies

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

Basis of preparation

Halifax Fan Limited is a limited Company, which is domiciled in the UK. The Company was incorporated in England and Wales.

The company's financial statements have been prepared in accordance with International Financial Reporting Standards "IFRS" as adopted by the European Union applied in accordance with the provisions of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention.

Going Concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported revenue and expenses during the reporting year.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Allowances for non-recoverability of trade receivables

An allowance is created for non-recoverability of trade receivables when management expect that the amount outstanding will not be repaid. Management exercise their judgement and experience when deciding the value of any such allowance. At the year end, the allowance totalled £15k (2015: £13k).

Provision for warranties

Management provide for the expected warranty cost arising from products sold under warranty. Warranty periods run between 12 and 24 months from the date of sale, and provision is made for the expected value of repairs and returns based on costs incurred historically and applying judgement where sales of new and bespoke products are made. At the year end an amount of £94k has been provided (2015: £90k).

Provision for dilapidations

Management provide for the expected cost arising from rectification work on leasehold property to bring the property up to standard per the terms of the lease. The lease runs until 2018 and the provision made is based on estimation by a surveyor. At the year end an amount of £90k has been provided for (2015: £90k).

Profit/(loss) from operations

Profit/(loss) from operations is stated after the inclusion of all operating items, but before financing costs.

Revenue recognition

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Revenue is recognised on despatch of goods.

Interest income is accrued on a time basis.

Pensions and other post retirement benefits

The pension costs charged in the financial statements represent the contributions payable by the company during the year into a contribution pension scheme.

Intangible assets

Computer software is capitalised and stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of intangible assets over their useful lives on the following basis:

Computer software	-	3-5 years straight line
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HALIFAX FAN LIMITED

Notes to the financial statements

Plant property and equipment

Plant property and equipment is stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	10 years straight line
Fixtures & fittings	-	10 years straight line

Inventories

Inventories are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is calculated using the average cost method and consists of material and direct labour costs and appropriate proportion of production overheads.

Financial assets

The company's financial assets comprise trade and other receivables and cash and cash equivalents.

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due. Any provision against trade receivables is recognised in the statement of comprehensive income.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, including cash and non-restricted balances with central banks, loans and advances to banks.

IFRS Disclosures

a) *New and amended standards adopted by the company*

The adoption of the following Standards and Interpretations issued by the International Accounting Standards Board (IASB) that were effective for the current year has not had a material impact on the financial statements of the company:

Name of new Standards/amendments	Effective Date
IAS 1 Presentation of financial Statements: Amendments resulting from the disclosure initiative.	1 January 2016
IAS16 Property, Plant and Equipment and IAS 38 Intangible Assets: Amendments regarding acceptable methods of depreciation and Amortisation,	1 January 2016
IFRS 5 Non-current Assets Held for Sales and Discontinued Operations: Amendments resulting from September 2014 Annual Improvement to IFRSs.	1 January 2016
IFRS 7 Financial Instruments: Disclosures: Amendments resulting from September 2014 Annual Improvements to IFRSs.	1 January 2016

b) *New standards and interpretations not yet adopted.*

At the date of the authorisation of these financial statements, the following Standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

Name of new Standards/amendments	Effective date
IAS 7 Statement of Cash Flows: Amendments resulting from the disclosure initiative.	1 January 2017
IFRS 9 Financial Instruments	1 January 2018
IFRS 16 Leases	1 January 2019

The directors are currently considering the potential impact of the adoption of IFRS 9 and IFRS 16 on the financial statements of the company. But the directors do not believe that the adoption at any time of the remaining standards above will have any material impact on the amounts reported in these financial statements.

Income taxes, including deferred income taxes

Income tax payable on profits is recognised as an expense in the year in which profits arise. The tax effects of income tax losses available to carry forward are recognised as an asset when it is probable that future taxable profits will be available, against which these losses can be utilised.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Expected future tax rates are used in the determination of deferred income tax. A deferred tax asset is only recognised when it is anticipated that there will be sufficient future taxable profits to offset the asset against.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

HALIFAX FAN LIMITED

Notes to the financial statements

Financial liabilities

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Invoice discounting liabilities are recorded at the proceeds received, net of direct issue costs. Finance costs are accounted for on an accruals basis in the statement of comprehensive income using the effective interest method.

Operating leases

Rentals under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the date of the statement of financial position.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of comprehensive income.

2. Revenue

An analysis of the Company's revenue is as follows:

Continuing operations	Year ended 2016	Year ended 2015
	£'000	£'000
Sale of goods	4,513	4,840
Total revenue	4,513	4,840

3. Segment information

The Company is considered to have one business segment.

A geographical analysis of turnover is as follows:

	Year ended 2016	Year ended 2015
	£'000	£'000
UK	2,779	3,189
Europe	814	950
Rest of the World	920	701
Total	4,513	4,840

4. Profit (Loss) from operations

Profit from operations has been arrived at after (crediting)/charging:

	Year ended 2016	Year ended 2015
	£'000	£'000
Operating lease rentals	129	129
Depreciation	21	22
Amortisation	41	40
Foreign exchange differences	(40)	24
Staff costs (see note 6)	1,613	1,925
Auditors' remuneration for audit services (see note 5)	18	20

HALIFAX FAN LIMITED

Notes to the financial statements

5. Auditors' remuneration

	Year ended 2016 £'000	Year ended 2015 £'000
Audit services		
- Statutory	18	20
Total	18	20

6. Staff costs

The average monthly number of employees (including executive Directors) employed by the Company was 46 (2015: 55).

Their aggregate remuneration comprised:

	Year ended 2016 £'000	Year ended 2015 £'000
Wages and salaries	1,371	1,633
Social security costs	130	162
Other pension costs	112	130
	1,613	1,925

7. Directors' emoluments

	Year ended 2016 £'000	Year ended 2015 £'000
Salaries and fees	-	8
	-	8

Prior to February 2015, one director was remunerated through Halifax Fan Limited and their emoluments are disclosed above. Since February 2015, the directors received emoluments through another group company, Halifax Fan Hong Kong Limited. It was not practicable to allocate these emoluments between their services as directors of Halifax Fan Limited and their services as directors of the other group companies.

There were no directors who accrued benefits under Company pension schemes.

HALIFAX FAN LIMITED

Notes to the financial statements

8. Taxation

Continuing operations	Year ended 2016 £'000	Year ended 2015 £'000
Current tax:		
UK corporation tax credit	(25)	(38)
Prior year adjustment	(7)	-
Total current tax	(32)	(38)
Deferred tax (note 16):		
Current year credit	(6)	(12)
Total tax credit	(38)	(50)

Corporation tax is calculated at 20.00% (2015: 20.25%) of the estimated assessable profit for the year.

The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

	Year ended 2016 £'000	Year ended 2015 £'000
Profit before tax:	12	(125)
Tax at the UK corporation tax rate of 20.00% (2015: 20.25%)	2	(25)
Additional deduction for R&D expenditure	(44)	(36)
Surrender of tax losses for R&D tax credit refund	10	15
Adjustment relating to prior year current tax	(7)	-
Adjustment to tax charge in respect of previous periods – deferred tax	1	-
Deferred tax adjustments	-	(4)
Total tax credit	(38)	(50)

9. Intangible assets

	£'000
Cost	
At 1 January 2015	287
Additions	2
At 1 January 2016	289
Additions	-
At 31 December 2016	289
Amortisation	
At 1 January 2015	138
Charge for the year	40
At 1 January 2016	178
Charge for the year	41
At 31 December 2016	219
Net book value	
At 31 December 2016	70
At 31 December 2015	111
At 31 December 2014	149

HALIFAX FAN LIMITED

Notes to the financial statements

10. Property, plant and equipment

	£'000
Cost	
At 1 January 2015	413
Disposals	(150)
At 1 January 2016	263
Additions	36
Disposals	-
At 31 December 2016	299
Depreciation	
At 1 January 2015	252
Charge for the year	22
Eliminated on disposals	(150)
At 1 January 2016	124
Charge for the year	21
At 31 December 2016	145
Net book value	
At 31 December 2016	154
At 31 December 2015	139
At 31 December 2014	161

11. Inventories

	2016 £'000	2015 £'000
Raw materials	98	100
Work in progress	180	82
Finished goods	7	1
	285	183

The total inventory recognised in cost of sales during the year is £2,509k (2015: £2,936k)

12. Trade and other receivables

	2016 £'000	2015 £'000
Current		
Trade receivables	1,011	879
Prepayments	108	55
Amounts owed from group companies	873	875
Other receivables	44	7
	2,034	1,816
Current tax receivable	25	38

An allowance for non-recoverability of trade receivables has been made where, in the opinion of the Directors, trade receivables are not recoverable at their book value. Any trade receivables where it is felt that recovery of the debt is uncertain are provided against in full. Trade receivables are stated net of related allowances for non-recoverable debts.

The Directors consider that the carrying amount of loans and receivables, after taking account of related allowances, approximates to their fair value.

'Trade and other receivables' and 'cash and cash equivalents' constitute the financial assets within the category 'Loans and receivables' as defined by IAS 39.

Trade receivables are non-interest bearing and generally have a 30 day term.

HALIFAX FAN LIMITED

Notes to the financial statements

12. Trade and other receivables (cont.)

As at 31 December 2016 trade receivables of £635k (2015: £440k) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2016 £'000	2015 £'000
Up to 2 months past due	473	321
2 to 4 months past due	148	45
Over 4 months past due	14	74
	635	440

The movement in the provision for impairment of receivables were as follows:

	2016 £'000	2015 £'000
At 1 January	13	24
Amount released in the year	(7)	(24)
Additional provision in the year	13	13
At 31 December	19	13

13. Cash and cash equivalents

	2016 £'000	2015 £'000
Cash at bank and in hand	25	29

The Directors consider that the carrying amount of these assets approximates to their fair value. The credit risk on liquid funds is limited because the counter-party is a bank with a high credit rating.

14. Trade and other payables

	2016 £'000	2015 £'000
Current		
Trade payables	560	494
Other taxes and social security	36	75
Other payables	296	194
Invoice discounting	181	357
Export financing	283	57
Amounts owed to group companies	545	525
	1,901	1,702

The Directors consider that the carrying amount of trade payables approximates to their fair value. No interest is charged on trade and other payables.

The invoice discounting balance is secured over the receivables of the Company but control over the receivables remains with the Company. The bank also has a fixed charge over book and other debts, both present and future dated 15 February 2010.

The export financing balance is secured over the specific receivables to which each draw-down relates. The Company has undertaken to indemnify the bank against any shortfall.

Trade payables, other payables, invoice discounting, export financing and amounts payable to group companies constitute the only financial liabilities measured at amortised cost as defined by IAS39.

HALIFAX FAN LIMITED

Notes to the financial statements

15. Provisions

	2016 £'000	2015 £'000
Warranty Provisions		
At 1 January	90	96
Amounts used during the period	(7)	(25)
Additional provisions made in the period	11	19
At 31 December	94	90

The warranty provision provides for the future cost of rectification works on products sold, held under warranty. Warranty periods run from 12 to 24 months.

	2016 £'000	2015 £'000
Dilapidations		
At 01 January	90	60
Additions in the year	30	30
At 31 December	120	90

During the year a dilapidations provision has been set up to provide for the expected future costs of rectification work on leasehold property to bring the property up to standard per terms of the lease.

16. Deferred tax

The following are the major deferred tax (asset)/liabilities recognised by the Company and the movements thereon during the current and prior reporting year.

	Accelerated tax depreciation £'000	Short term timing differences £'000	Total £'000
At 31 December 2014	49	(3)	46
(Credit)/charge to income	(14)	2	(12)
At 31 December 2015	35	(1)	34
(Credit)/charge to income	(4)	(2)	(6)
At 31 December 2016	31	(3)	28

17. Share capital

	2016 £'000	2015 £'000
Authorised:		
13,332 ordinary shares of £1 each	13	13
Allotted, called up and fully paid:		
13,332 ordinary shares of £1 each	13	13

18. Retained earnings

	£'000
Balance at 31 December 2014	462
Total comprehensive loss for the year ended 31 December 2015	(75)
Balance at 31 December 2015	387
Total comprehensive profit for the year ended 31 December 2016	50
Balance at 31 December 2016	437

HALIFAX FAN LIMITED

Notes to the financial statements

19. Notes to the statement of cash flows

	2016 £'000	2015 £'000
Profit/(loss) from operations	60	(84)
Interest paid	(48)	(41)
Increase in receivables	(218)	(1)
Amortisation	41	40
Depreciation	21	22
(Increase)/(decrease) in inventories	(102)	131
Increase/(decrease) in payables	199	(241)
Increase in provisions	34	24
Cash used in operations	(13)	(150)
Income tax received	45	84
Net cash flow from operating activities	32	(66)

Cash and cash equivalents (which are presented as a single class of assets on the face of the statement of financial position) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

20. Retirement Benefit Schemes

The Company operates a defined contribution pension scheme which is open to all staff.

An amount of £112k was recognised as an expense for defined contribution plans in 2016 (2015: £130k). The amount is included in staff costs in the statement of comprehensive income. Of this amount, £4k was recognised for key management personnel for the year ended 31 December 2016 (2015: £9k).

21. Operating lease commitments

At the year end date, the Company has lease arrangements in respect of properties for which the payments extend over a number of years as follows:

	2016 £'000	2015 £'000
Due:		
Within one year	127	125
Within two to five years	59	170
After five years	-	-
Total	186	295

22. Related party transactions

Trading transactions

During the year, services were provided from Greybeard Solution (Pvt) Ltd, a company with a common director to the parent company of Halifax Fan Limited, to the value of £44k. At the year end a balance of £nil was outstanding. In the prior year, services of £94k were provided from Greybeard Solutions Limited, a company controlled Ian McEvoy, who was a director of Halifax Fan Limited for part of the year. At the year end a balance of £9k was outstanding.

Additionally, the Company entered into the following transactions with other group companies during the year:

The Company made sales to Halifax Fan (Hong Kong) Limited of £4k (2015: £392k) and bought goods to a value of £nil (2015: £7k). At the year end £840k (2015: £875k) was owed by Halifax Fan (Hong Kong) Limited to the company and is included within trade and other receivables.

The Company made sales to Halifax Fan (ShenZhen) Company Limited of £nil (2015: £17k) and purchased goods for £21k (2015: £nil). At the year end £21k (2015: £nil) was owed by the Company to Halifax Fan (ShenZhen) Company Limited and is included within trade and other payables.

HALIFAX FAN LIMITED

Notes to the financial statements

At the year end £525k (2015: £525k) was owed by the Company to Halifax Fan Group Limited and is included within trade and other payables.

The company entered into the following transactions with Halifax Fan USA LLC during the year, a company 50% owned by Halifax Fan LLC that is owned and managed by Ian deSouza and Malcolm Staff (directors of Halifax Fan Holdings Ltd.)

The Company made sales to Halifax Fan USA LLC of £34k (2015: £nil) and purchased goods for £nil (2015: £nil). At the year-end £34k (2015: £nil) was owed to the Company by Halifax Fan USA LLC and is included within trade and other receivables

23. Remuneration of key management personnel

The remuneration of the Directors and key managers, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2016 £'000	2015 £'000
Short-term employee benefits	75	91
Post-employment benefits	4	9
	79	100

24. Financial instruments and risk management

The Company's financial instruments comprise cash and cash equivalents and items such as trade payables and trade receivables which arise directly from its operations.

The Company's operations expose it to a variety of financial risks that include the effects of the changes in credit risk and interest risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of credit and interest rate risk.

Given the size of the Company, the Board have not delegated responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board are monitored by the finance department.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made to them. The amount of exposure to any one party is reviewed by the finance department.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk. The maximum credit exposure to credit risk at the reporting date was:

	2016 £'000	2015 £'000
Cash and cash equivalents	24	29
Trade & other receivables	1,928	1,816
	1,952	1,845

Interest rate risk

The Company has interest bearing assets. These assets include only cash balances which earn interest at a variable rate. Given the size of the Company, there is no requirement for a separate treasury department, therefore the finance department review the level of cash balances within the business.

The Company is exposed to interest rate risk as a result of positive and negative cash balances, which earn interest at a variable rate. As at 31 December 2016 if market interest rates had increased or decreased by 0.25% with all other variables held constant, there would have been negligible effect on post-tax profit and equity.

Liquidity risk

All of the Company's deposits are available on demand. The Directors review regularly if the level of the Company's cash deposits are sufficient to minimise the liquidity risk faced by the Company.

All of the Company's current financial liabilities which are measured at amortised cost are payable within 6 months.

HALIFAX FAN LIMITED

Notes to the financial statements

24. Financial instruments and risk management (cont.)

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

The Company defines capital as being share capital plus reserves.

Foreign Exchange risk

The Company is exposed to foreign currency exchange rate risk as a result of cash balances held in EUR and USD as well as trade and other receivables in USD. At 31 December 2016 if GBP strengthened or weakened by 10% against EUR and USD, with all other variables held constant, the following movements would be seen in the balances:

	Increase of 10% In sterling strength £'000	Decrease of 10% In sterling strength £'000
Cash balances	(1)	1
Trade and other receivables	(10)	10

25. Parent undertaking and controlling party

The Company's immediate parent undertaking and controlling party is Halifax Fan Group Limited, a Company incorporated in the United Kingdom. The Registered Office Address of Halifax Fan Limited is Mistral Works, Unit 11, Elland Road, Brighouse, West Yorkshire. The ultimate parent and controlling party is Halifax Fan Holdings Limited, a Company incorporated in Hong Kong. This entity is the highest and lowest level of the group at which consolidated accounts are prepared. The registered office address is Rooms 1009 – 1012, 10/F, K Wah Centre, 191 Java Road, North Point, Hong Kong.