

COMPANY REGISTRATION NUMBER: 3205943

FIRED UP CORPORATION LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2016

MONDAY



A67YMT6R

A08

05/06/2017

#217

COMPANIES HOUSE

FIRED UP CORPORATION LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

| Contents | Page |
|---|-------------|
| Strategic report | 1 |
| Directors' report | 3 |
| Independent auditor's report to the members | 5 |
| Profit and loss account | 7 |
| Balance sheet | 8 |
| Statement of changes in equity | 9 |
| Statement of cash flows | 10 |
| Notes to the financial statements | 11 |

FIRED UP CORPORATION LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2016

The directors present their report for the financial year ended 31 December 2016.

Principal activity and business review

The principal activity of the company during the year was the manufacture and sale of fire surrounds, trouser presses and hospitality products.

Performance and developments during the year

We are pleased to report another successful year of operations. Profit before tax was £675,691 compared with £360,987 in 2015.

In the 2016 financial year, turnover was £11,887,357, an increase of 7.5% on the previous year.

Increases have been seen across the company's range of products and markets.

Principal risks and uncertainties

The company maintains strong relationships with each of its customers and has established credit control procedures.

Financial instruments

The company's principal financial instruments comprise bank balances, bank overdrafts, sales invoice financing facilities, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no material exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of short term loans secured against imported stock and overdrafts both at floating rates of interest.

In respect of loans these currently comprise only loans from the directors. The loans from the directors are interest free and payable on demand.

Trade debtors are managed in respect of credit and cash flow by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Research and development

The company continues to take advantage of technical advances as they arise and strives to develop new processes that increase efficiency in all aspects of the company's operations.

Financial key performance indicators

The directors use a range of key performance indicators to aid management of the company. These include measures on bank facility headroom, working capital, orders received and outstanding, gross sales, profit margin achieved and stock turnover.

FIRED UP CORPORATION LIMITED

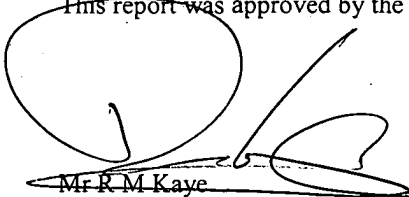
STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2016

Outlook

The directors continue to examine opportunities for further development of the business and its efficiencies. The directors have considered the results of the current financial year up to the date of this report, and are confident the company will further enhance shareholder value in 2017. Investments in new machinery to this end are currently under consideration.

This report was approved by the board of directors on 18 May 2017 and signed on behalf of the board by:


Mr R M Kaye
Director

FIRED UP CORPORATION LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

Directors

The directors who served the company during the year were as follows:

Mr R M Kaye
Mr J Bradley

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Disclosure of information in the strategic report

In accordance with Section 414C(11), Companies Act 2006, the following information required to be contained in this report is set out in the company's Strategic Report on page 2: principal activities, business review, future developments, financial risks and research and development.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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 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 judgments 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

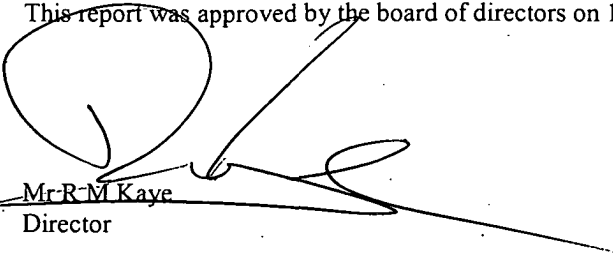
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

FIRED UP CORPORATION LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2016

This report was approved by the board of directors on 18 May 2017 and signed on behalf of the board by:



Mr R M Kaye
Director

FIRED UP CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRED UP CORPORATION LIMITED

YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of Fired Up Corporation Limited for the year ended 31 December 2016, on pages 7 to 20. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, 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 directors' 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 2016 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, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

FIRED UP CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRED UP CORPORATION LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2016

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.

Wheawill & Sudworth Limited

David Butterworth (Senior Statutory Auditor)

For and on behalf of
Wheawill & Sudworth Limited
Chartered accountant & statutory auditor
35 Westgate
Huddersfield
HD1 1PA

18 May 2017

FIRED UP CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2016

| | Note | 2016 £ | 2015 £ |
|--|------|-------------|-------------|
| Turnover | 4 | 11,887,357 | 11,060,107 |
| Cost of sales | | (7,614,553) | (7,244,007) |
| Gross profit | | 4,272,804 | 3,816,100 |
| Distribution costs | | (905,951) | (895,411) |
| Administrative expenses | | (2,633,315) | (2,509,327) |
| Operating profit | 5 | 733,538 | 411,362 |
| Interest payable and similar expenses | 9 | (57,847) | (50,375) |
| Profit before taxation | | 675,691 | 360,987 |
| Tax on profit | 10 | (132,079) | (68,062) |
| Profit for the financial year and total comprehensive income | | 543,612 | 292,925 |

All the activities of the company are from continuing operations.

The notes on pages 11 to 20 form part of these financial statements.

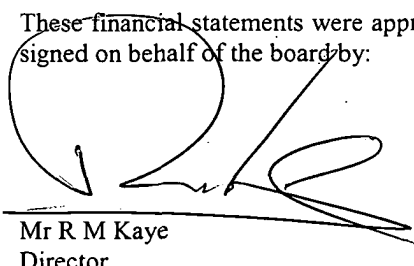
FIRED UP CORPORATION LIMITED

BALANCE SHEET

31 DECEMBER 2016

| | Note | 2016 £ | 2015 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 138,786 | 106,087 |
| Current assets | | | |
| Stocks | 14 | 2,363,473 | 2,286,695 |
| Debtors | 15 | 1,719,239 | 1,839,552 |
| Cash at bank and in hand | | 98,126 | 16,955 |
| | | <u>4,180,838</u> | <u>4,143,202</u> |
| Creditors: amounts falling due within one year | 16 | <u>(2,130,682)</u> | <u>(2,579,966)</u> |
| Net current assets | | <u>2,050,156</u> | <u>1,563,236</u> |
| Total assets less current liabilities | | <u>2,188,942</u> | <u>1,669,323</u> |
| Creditors: amounts falling due after more than one year | 17 | – | (2,142) |
| Provisions | | | |
| Taxation including deferred tax | 19 | <u>(18,149)</u> | <u>(10,000)</u> |
| Net assets | | <u><u>2,170,793</u></u> | <u><u>1,657,181</u></u> |
| Capital and reserves | | | |
| Called up share capital | 22 | 25,000 | 25,000 |
| Profit and loss account | 23 | <u>2,145,793</u> | <u>1,632,181</u> |
| Members funds | | <u><u>2,170,793</u></u> | <u><u>1,657,181</u></u> |

These financial statements were approved by the board of directors and authorised for issue on 18 May 2017, and are signed on behalf of the board by:



Mr R M Kaye
Director

Company registration number: 3205943

FIRED UP CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2016

| | Called up share capital £ | Profit and loss account £ | Total £ |
|---|---------------------------------|---------------------------------|------------|
| At 1 January 2015 | 25,000 | 1,339,256 | 1,364,256 |
| Profit for the year | | 292,925 | 292,925 |
| Total comprehensive income for the year | — | 292,925 | 292,925 |
| At 31 December 2015 | 25,000 | 1,632,181 | 1,657,181 |
| Profit for the year | | 543,612 | 543,612 |
| Total comprehensive income for the year | — | 543,612 | 543,612 |
| Dividends paid and payable | 11 | (30,000) | (30,000) |
| Total investments by and distributions to owners | — | (30,000) | (30,000) |
| At 31 December 2016 | 25,000 | 2,145,793 | 2,170,793 |

The notes on pages 11 to 20 form part of these financial statements.

FIRED UP CORPORATION LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2016

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Cash flows from operating activities | | |
| Profit for the financial year | 543,612 | 292,925 |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible assets | 30,226 | 44,987 |
| Interest payable and similar expenses | 57,847 | 50,375 |
| Loss/(gains) on disposal of tangible assets | 1,210 | (7,312) |
| Tax on profit | 132,079 | 68,062 |
| <i>Changes in:</i> | | |
| Stocks | (76,778) | 244,182 |
| Trade and other debtors | 120,313 | (219,310) |
| Trade and other creditors | (44,280) | (275,589) |
| Cash generated from operations | 764,229 | 198,320 |
| Interest paid | (57,847) | (50,375) |
| Tax paid | (71,303) | (360) |
| Net cash from operating activities | 635,079 | 147,585 |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (68,635) | (15,750) |
| Proceeds from sale of tangible assets | 4,500 | 24,500 |
| Net cash (used in)/from investing activities | (64,135) | 8,750 |
| Cash flows from financing activities | | |
| Proceeds from borrowings | (455,061) | (135,050) |
| Payments of finance lease liabilities | (4,712) | (2,570) |
| Dividends paid | (30,000) | — |
| Net cash used in financing activities | (489,773) | (137,620) |
| Net increase in cash and cash equivalents | 81,171 | 18,715 |
| Cash and cash equivalents at beginning of year | 16,955 | (1,760) |
| Cash and cash equivalents at end of year | 98,126 | 16,955 |

The notes on pages 11 to 20 form part of these financial statements.

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Fired Up Buildings, St Thomas Road, Longroyd Bridge, Huddersfield, HD1 3LF.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and 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.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover represents amounts invoiced during the year, exclusive of discounts and Value Added Tax.

Revenue is recognised at the date of invoicing to the customers.

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

3. Accounting policies *(continued)*

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting 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 exemptions. 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 tax rates and laws that have been enacted or substantially enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

| | |
|----------|--------------------------|
| Goodwill | - Amortised over 5 years |
|----------|--------------------------|

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | |
|---------------------|------------------------|
| Plant and machinery | - 25% reducing balance |
| Computer equipment | - 33% straight line |
| Motor vehicles | - 25% reducing balance |
| Office equipment | - 25% reducing balance |

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured 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 the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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 entity after deducting all of its financial liabilities.

Defined contribution plans

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year.

4. Turnover

Turnover arises from:

| | 2016 £ | 2015 £ |
|---------------|-------------------|-------------------|
| Sale of goods | <u>11,887,357</u> | <u>11,060,107</u> |

The turnover and profit before taxation are attributable to the company's principal activity.

Analysis of turnover by geographical destination:

| | 2016 £ | 2015 £ |
|-------------------|-------------------|-------------------|
| United Kingdom | 9,523,448 | 8,890,386 |
| Other Europe | 936,994 | 819,807 |
| Japan | 800,042 | 576,622 |
| United States | 202,856 | 317,767 |
| Rest of the world | 424,017 | 455,525 |
| | <u>11,887,357</u> | <u>11,060,107</u> |

5. Operating profit

Operating profit or loss is stated after charging:

| | 2016 £ | 2015 £ |
|---|-----------------|----------------|
| Depreciation of tangible assets | 30,226 | 44,987 |
| Loss/(gains) on disposal of tangible assets | 1,210 | (7,312) |
| Impairment of trade debtors | 11,035 | 58 |
| Operating lease rentals | 241,103 | 248,872 |
| Foreign exchange differences | <u>(29,186)</u> | <u>(8,732)</u> |

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

6. Auditor's remuneration

| | 2016 | 2015 |
|--|---------------|---------------|
| | £ | £ |
| Fees payable for the audit of the financial statements | <u>11,055</u> | <u>10,799</u> |

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

| | 2016 | 2015 |
|----------------------|-----------|-----------|
| | No. | No. |
| Production staff | 47 | 45 |
| Administrative staff | 40 | 42 |
| Management staff | 2 | 2 |
| | <u>89</u> | <u>89</u> |

The aggregate payroll costs incurred during the year, relating to the above, were:

| | 2016 | 2015 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,099,740 | 1,969,931 |
| Social security costs | 178,006 | 166,538 |
| Other pension costs | 17,488 | 16,114 |
| | <u>2,295,234</u> | <u>2,152,583</u> |

8. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

| | 2016 | 2015 |
|---|----------------|----------------|
| | £ | £ |
| Remuneration | 185,414 | 126,153 |
| Company contributions to defined contribution pension plans | 1,261 | 1,258 |
| | <u>186,675</u> | <u>127,411</u> |

The number of directors who accrued benefits under company pension plans was as follows:

| | 2016 | 2015 |
|----------------------------|----------|----------|
| | No. | No. |
| Defined contribution plans | <u>2</u> | <u>2</u> |

9. Interest payable and similar expenses

| | 2016 | 2015 |
|--|---------------|---------------|
| | £ | £ |
| Interest on banks loans and overdrafts | 27,764 | 32,484 |
| Other interest payable and similar charges | 30,083 | 17,891 |
| | <u>57,847</u> | <u>50,375</u> |

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

10. Tax on profit

Major components of tax expense

| | 2016 £ | 2015 £ |
|--|----------------|---------------|
| Current tax: | | |
| UK current tax expense | 123,930 | 71,300 |
| Adjustments in respect of prior periods | – | 360 |
| Total current tax | <u>123,930</u> | <u>71,660</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | 8,149 | (3,598) |
| Tax on profit | <u>132,079</u> | <u>68,062</u> |

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

| | 2016 £ | 2015 £ |
|--|----------------|---------------|
| Profit on ordinary activities before taxation | 675,691 | 360,987 |
| Profit on ordinary activities by rate of tax | 135,138 | 73,100 |
| Adjustment to tax charge in respect of prior periods | 3 | 360 |
| Effect of expenses not deductible for tax purposes | 9 | 144 |
| Effect of capital allowances and depreciation | 173 | (934) |
| Effect of different UK tax rates on some earnings | 1,076 | – |
| Rounding on tax charge | – | (3) |
| Additional deduction for R&D expenditure | (4,320) | (4,619) |
| Marginal relief | – | 14 |
| Tax on profit | <u>132,079</u> | <u>68,062</u> |

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

| | 2016 £ | 2015 £ |
|-------------------------------------|---------------|-----------|
| Equity dividends on ordinary shares | <u>30,000</u> | <u>–</u> |

12. Intangible assets

| | Goodwill £ |
|-------------------------------|---------------|
| Cost | |
| At 1 Jan 2016 and 31 Dec 2016 | <u>70,749</u> |
| Amortisation | |
| At 1 Jan 2016 and 31 Dec 2016 | <u>70,749</u> |
| Carrying amount | |
| At 31 December 2016 | <u>–</u> |

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

13. Tangible assets

| | Plant and machinery £ | Computer Equipment £ | Motor vehicles £ | Office Equipment £ | Total £ |
|----------------------------|-----------------------------|----------------------------|---------------------|--------------------------|----------------|
| Cost | | | | | |
| At 1 January 2016 | 481,703 | 120,566 | 21,694 | 167,664 | 791,627 |
| Additions | 30,045 | — | 38,590 | — | 68,635 |
| Disposals | — | — | (10,080) | — | (10,080) |
| At 31 December 2016 | 511,748 | 120,566 | 50,204 | 167,664 | 850,182 |
| Depreciation | | | | | |
| At 1 January 2016 | 403,895 | 115,239 | 9,005 | 157,401 | 685,540 |
| Charge for the year | 19,748 | 3,142 | 5,047 | 2,289 | 30,226 |
| Disposals | — | — | (4,370) | — | (4,370) |
| At 31 December 2016 | 423,643 | 118,381 | 9,682 | 159,690 | 711,396 |
| Carrying amount | | | | | |
| At 31 December 2016 | 88,105 | 2,185 | 40,522 | 7,974 | 138,786 |
| At 31 December 2015 | 77,808 | 5,327 | 12,689 | 10,263 | 106,087 |

14. Stocks

| | 2016 £ | 2015 £ |
|-------------------------------------|------------------|------------------|
| Raw materials and consumables | 398,521 | 443,640 |
| Work in progress | 25,941 | 32,532 |
| Finished goods and goods for resale | 1,939,011 | 1,810,523 |
| | 2,363,473 | 2,286,695 |

15. Debtors

| | 2016 £ | 2015 £ |
|--|------------------|------------------|
| Trade debtors | 1,499,266 | 1,075,585 |
| Prepayments and accrued income | 95,166 | 116,839 |
| Amounts owed by related undertakings (note 27) | 124,807 | 646,920 |
| Other debtors | — | 208 |
| | 1,719,239 | 1,839,552 |

Part of the amounts owed by related undertakings is recoverable more than one year after the balance sheet date.

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

16. Creditors: amounts falling due within one year

| | 2016 | 2015 |
|--|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts | 520,454 | 975,515 |
| Trade creditors | 716,018 | 723,058 |
| Accruals and deferred income | 251,949 | 250,888 |
| Corporation tax | 123,927 | 71,300 |
| Social security and other taxes | 266,471 | 278,389 |
| Obligations under finance leases and hire purchase contracts | – | 2,570 |
| Other creditors (note 26) | 25,449 | 27,217 |
| Invoice financing facility | 226,414 | 251,029 |
| | <u>2,130,682</u> | <u>2,579,966</u> |

The invoice financing facility is secured by a fixed charge on book debts and a floating charge over all assets of the company. The bank loans are secured by a debenture over the company's assets. Hire purchase agreements are secured on the assets purchased.

17. Creditors: amounts falling due after more than one year

| | 2016 | 2015 |
|--|----------|--------------|
| | £ | £ |
| Obligations under finance leases and hire purchase contracts | <u>–</u> | <u>2,142</u> |

The hire purchase agreements are secured on the assets purchased.

18. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

| | 2016 | 2015 |
|--|----------|--------------|
| | £ | £ |
| Not later than 1 year | – | 2,570 |
| Later than 1 year and not later than 5 years | – | 2,142 |
| | <u>–</u> | <u>4,712</u> |

19. Provisions

| | Deferred tax (note 20) £ |
|--------------------------|--------------------------------|
| At 1 January 2016 | 10,000 |
| Charge against provision | <u>8,149</u> |
| At 31 December 2016 | <u>18,149</u> |

20. Deferred tax

The deferred tax included in the balance sheet is as follows:

| | 2016 | 2015 |
|----------------------------------|---------------|---------------|
| | £ | £ |
| Included in provisions (note 19) | <u>18,149</u> | <u>10,000</u> |

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £17,488 (2015: £16,114).

22. Called up share capital

Issued, called up and fully paid

| | 2016 | | 2015 | |
|----------------------------|---------------|---------------|---------------|---------------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | <u>25,000</u> | <u>25,000</u> | <u>25,000</u> | <u>25,000</u> |

23. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

24. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2016 | 2015 |
|--|----------------|----------------|
| | £ | £ |
| Not later than 1 year | 78,864 | 254,663 |
| Later than 1 year and not later than 5 years | <u>142,659</u> | <u>5,706</u> |
| | <u>221,523</u> | <u>260,369</u> |

25. Contingencies

The company has given an unlimited multilateral guarantee against the bank borrowings of certain related companies. These amounted to £nil as at 31 December 2016 (2015: £nil). The company has also indemnified its bank in relation to a £40,000 (2015: £40,000) VAT deferment guarantee given by the bank to H M Revenue & Customs.

26. Directors' advances, credits and guarantees

Dividends paid to the directors during the year were R M Kaye £29,700 (2015: £Nil) and J Bradley £300 (2015: £Nil).

Included in other creditors at note 16 above is an amount of £24,126 (2015: £25,538) due to R M Kaye. The amount is unsecured, repayable on demand and currently interest free.

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

27. Related party transactions

R M Kaye acted during the year as director of Fireplace World (UK) Limited, Adam Fire Surrounds Limited, John Corby Limited, Fired Up Group Limited, Zhongshan Fired Up Electrical Appliances Limited (China), Fired Up Group Limited (Hong Kong) and Fired Up Corporation (USA). R M Kaye also traded as a sole trader under the name Armco Security.

During the year the company traded with certain of these related entities. Transactions were carried out on an arm's length basis.

The value of transactions between Fired Up Corporation Limited and the related entities were as follows:

Salary and rent recharges to R Kaye T/A Armco Security were £80,223 (2015: £68,983). Purchase of goods and services from R Kaye T/A Armco Security were £13,860 (2015: £13,487). Purchase of goods from Fired Up Group Limited (Hong Kong) were £3,777,423 (2015: £3,120,267). Management charges receivable from Fired Up Corporation (USA) were £19,492 (2015: £49,586). Sale of goods and services to Fired Up Corporation (USA) were £130,634 (2015: £164,399).

Included in amounts owed by related undertakings at note 15 above are debts due to Fired Up Group Limited (Hong Kong) of £11,446 (2015: £469,510 debit).

Included in amounts owed by related undertakings at note 15 above are debts due from Fired Up Corporation (USA) of £124,298 (2015: £165,760).

Included in amounts owed by related undertakings at note 15 above are debts due from R Kaye T/A Armco Security of £11,955 (2015: £11,650).

R M Kaye has provided a supported personal guarantee of up to £300,000 as security for the company's bank facilities.

28. Control

The company is controlled by R M Kaye.