

Company Registration No. 05842845 (England and Wales)

**ABTECH LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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# ABTECH LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr M Lancashire Mr A T Moran Mr S J Hartley Mrs P Ford
<b>Secretary</b>	Mr N G Jones
<b>Company number</b>	05842845
<b>Registered office</b>	199 - 201 Newhall Road Lower Don Valley Sheffield South Yorkshire United Kingdom S9 2QJ
<b>Auditor</b>	BHP LLP 2 Rutland Park Sheffield S10 2PD

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# **ABTECH LIMITED**

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# **ABTECH LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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

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

As anticipated in last year's report, 2016 has been a difficult year. 2016 results, which show a reduction in turnover of 29%, confirm the global impact of the price of oil which dictates project investment decisions made by the major oil companies.

Intense competition in the market arising from excess commodity stock will continue the downward pressure on investable oil revenues and impact on the company's business.

The directors have responded to this by introducing overhead reductions in late 2016 which will impact on 2017 revenue and cash flow. The company has invested significantly in product development and is anticipating that additional income streams will commence from the second quarter of 2017.

The directors are supported by an experienced workforce and a dedicated management team, who continue to work diligently in competitive markets.

#### **Principal risks and uncertainties**

As explained in last year's report, the cancellation, mothballing and lack of Final Investment Decisions ("FIDs") for new projects, combined with the severe curtailing of explorations is still of concern for the medium-term. Market conditions remain challenging with the price of crude oil hovering around US\$50 per barrel for most of the year.

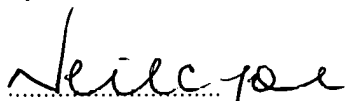
As explained above, market sentiment remains fragile and FIDs that were expected by the oil and gas majors continue to be deferred or postponed as companies balance their costs against declining revenue streams and the requirement for new capacity remains in serious doubt. The economic outlook continues to be uncertain and 2017 is expected to be another difficult year.

However, the availability of the fully-certified lighting range for hazardous areas and the continued diversification into non-oil related industries should insulate the companies from the worst of these effects and additional income streams are anticipated in the second quarter of 2017.

#### **Key performance indicators**

Given the nature of the business, the company's directors are of the opinion that key performance indicators are important. The company uses a number of indicators to monitor and improve the development, performance and position of the business. KPI's focus on lead generation, sales activity, sales margins, stock profiling and cash management. Indicators are reviewed and altered to meet changes in the internal and external environments.

By order of the board



Mr N G Jones  
Secretary

6 SEPTEMBER 2017

# **ABTECH LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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

#### **Principal activities**

The principal activity of the company continued to be that of the manufacture and assembly of electrical enclosures and the supply of industrial sensing products.

#### **Directors**

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

Mr M Lancashire

Mr A T Moran

Mr S J Hartley

Mr M Gray

Mrs P Ford

(Resigned 12 August 2016)

#### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Research and development**

Abtech is a technically driven business. The policy of the company is to maintain a high level of investment both in new product development and innovation and also in manufacturing technology.

It is considered vital to innovate and to share the benefits which accrue from new techniques and methods with customers who use and rely on our products. The Government has recognised the need to encourage investment in capital expenditure and has in effect sponsored companies such as Abtech to invest in R&D in an effort to stimulate the British economy.

There is a regular stream of projects at Abtech which are designed to ameliorate performance, efficiency and effectiveness in the field and provide a competitive edge which differentiates our products from our competitors. Where appropriate patent applications will provide valuable protection with positive taxation advantages accruing in future years.

#### **Future developments**

As stated in the Strategic Report, the economic outlook remains unclear and 2017 is expected to be another difficult year. Costs across all the operating divisions of the business have been examined and the necessary steps will be taken to ensure the long-term stability and prosperity of the company is safeguarded.

As a consequence, no significant capital expenditure is planned for 2017.

#### **Auditor**

The auditors, BHP LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### **Statement of disclosure to auditor**

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

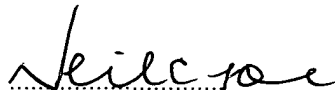
# ABTECH LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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By order of the board



Mr N G Jones  
Secretary

6 SEPTEMBER 2017

# **ABTECH LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

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

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

# **ABTECH LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABTECH LIMITED**

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We have audited the financial statements of Abtech Limited for the year ended 31 December 2016 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. 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 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**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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.

# **ABTECH LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ABTECH LIMITED**

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### **Matters on which we are required to report by exception**

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 Strategic Report and the Directors' Report.

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.

**John Warner (Senior Statutory Auditor)**  
**for and on behalf of BHP LLP**

6 SEPTEMBER 2017

**Chartered Accountants**  
**Statutory Auditor**

2 Rutland Park  
Sheffield  
S10 2PD

# ABTECH LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

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	Notes	2016 £	2015 £
Turnover	3	7,299,751	10,336,718
Cost of sales		(4,855,247)	(7,128,374)
<b>Gross profit</b>		<u>2,444,504</u>	<u>3,208,344</u>
Distribution costs		(797,697)	(835,989)
Administrative expenses		(2,356,428)	(2,516,539)
<b>Operating loss</b>	4	<u>(709,621)</u>	<u>(144,184)</u>
Interest receivable and similar income	7	7,037	3,674
Interest payable and similar expenses	8	(19,005)	(22,325)
<b>Loss before taxation</b>		<u>(721,589)</u>	<u>(162,835)</u>
Taxation	9	(15,480)	(27,496)
<b>Loss for the financial year</b>		<u><u>(737,069)</u></u>	<u><u>(190,331)</u></u>

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

# ABTECH LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

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	2016 £	2015 £
Loss for the year	(737,069)	(190,331)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(737,069)</u>	<u>(190,331)</u>


# ABTECH LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	10		363,728		463,584
<b>Current assets</b>					
Stocks	12	1,079,661		1,137,856	
Debtors	13	1,153,869		2,084,418	
Cash at bank and in hand		95,708		132,377	
		<u>2,329,238</u>		<u>3,354,651</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,505,413)</u>		<u>(2,011,119)</u>	
<b>Net current assets</b>			823,825		1,343,532
<b>Total assets less current liabilities</b>			1,187,553		1,807,116
<b>Creditors: amounts falling due after more than one year</b>	15		(35,627)		(51,150)
<b>Provisions for liabilities</b>	18		-		(36,971)
<b>Net assets</b>			<u>1,151,926</u>		<u>1,718,995</u>
<b>Capital and reserves</b>					
Called up share capital	21		170,001		1
Profit and loss reserves			981,925		1,718,994
<b>Total equity</b>			<u>1,151,926</u>		<u>1,718,995</u>

The financial statements were approved by the board of directors and authorised for issue on 6 SEPTEMBER 2017 and are signed on its behalf by:



Mr M Lancashire  
Director

Company Registration No. 05842845

# ABTECH LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015		1	1,909,325	1,909,326
Year ended 31 December 2015:				
Loss and total comprehensive income for the year		-	(190,331)	(190,331)
Balance at 31 December 2015		1	1,718,994	1,718,995
Year ended 31 December 2016:				
Loss and total comprehensive income for the year		-	(737,069)	(737,069)
Issue of share capital	21	170,000	-	170,000
Balance at 31 December 2016		170,001	981,925	1,151,926

# ABTECH LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	25	(113,153)		(135,998)	
Interest paid		(19,005)		(22,325)	
Income taxes refunded		30,236		112,214	
<b>Net cash outflow from operating activities</b>		(101,922)		(46,109)	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(12,490)		(200,481)	
Proceeds on disposal of tangible fixed assets		21,420		3,100	
Interest received		7,037		3,674	
<b>Net cash generated from/(used in) investing activities</b>		15,967		(193,707)	
<b>Financing activities</b>					
Proceeds from issue of shares		170,000		-	
Payment of finance leases obligations		(34,091)		67,101	
<b>Net cash generated from financing activities</b>		135,909		67,101	
<b>Net increase/(decrease) in cash and cash equivalents</b>		49,954		(172,715)	
Cash and cash equivalents at beginning of year		45,754		218,469	
<b>Cash and cash equivalents at end of year</b>		95,708		45,754	
<b>Relating to:</b>					
Cash at bank and in hand		95,708		132,377	
Bank overdrafts included in creditors payable within one year		-		(86,623)	

# ABTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

#### Company information

Abtech Limited is a private company limited by shares incorporated in England and Wales. The registered office is 199 - 201 Newhall Road, Lower Don Valley, Sheffield, South Yorkshire, United Kingdom, S9 2QJ.

#### 1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

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

#### 1.3 Turnover

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

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

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.5 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	10% straight line
Fixtures, fittings & equipment	10% to 14% straight line
Motor vehicles	25% reducing balance

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

# ABTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### 1.6 Impairment of fixed assets

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

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

#### 1.7 Stocks

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

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

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# ABTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### **Other financial assets**

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

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

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

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

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

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

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

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# ABTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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

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

### 1.10 Equity instruments

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

### 1.11 Taxation

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

#### **Current tax**

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

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# ABTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### 1.12 Employee benefits

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

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

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

#### 1.13 Retirement benefits

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

#### 1.14 Leases

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

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

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

#### 1.15 Foreign exchange

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

### 2 Judgements and key sources of estimation uncertainty

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

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

# ABTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 3 Turnover and other revenue

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

	2016 £	2015 £
<b>Turnover</b>		
Manufacture and assembly of electrical enclosures	7,299,751	10,336,718
<b>Other significant revenue</b>		
Interest income	7,037	3,674

#### Turnover analysed by geographical market

	2016 £	2015 £
UK	3,111,099	3,100,153
Europe	2,277,185	2,876,219
Rest of World	1,911,467	4,360,346
	7,299,751	10,336,718

### 4 Operating loss

	2016 £	2015 £
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(42,293)	13,432
Research and development costs	269,705	164,917
Fees payable to the company's auditor for the audit of the company's financial statements	9,000	9,000
Depreciation of owned tangible fixed assets	72,343	111,216
Depreciation of tangible fixed assets held under finance leases	25,180	10,788
Profit on disposal of tangible fixed assets	(6,596)	(321)
Operating lease charges	257,460	296,067

# ABTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 5 Employees

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

	2016 Number	2015 Number
Management and administration	25	27
Production	28	28
Sales	16	15
	<u>69</u>	<u>70</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	1,895,154	2,227,077
Social security costs	182,952	187,481
Pension costs	104,201	129,808
	<u>2,182,307</u>	<u>2,544,366</u>

### 6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	274,502	270,948
Company pension contributions to defined contribution schemes	18,128	18,463
	<u>292,630</u>	<u>289,411</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2015 - 4).

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

	2016 £	2015 £
Remuneration for qualifying services	86,210	92,295
Company pension contributions to defined contribution schemes	5,915	5,915
	<u></u>	<u></u>

# ABTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 7 Interest receivable and similar income

	2016	2015
	£	£
<b>Interest income</b>		
Other interest income	7,037	3,674

### 8 Interest payable and similar expenses

	2016	2015
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	16,764	21,508
Interest on finance leases and hire purchase contracts	2,241	817
	19,005	22,325

### 9 Taxation

	2016	2015
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	27,496
Adjustments in respect of prior periods	52,451	-
Total current tax	52,451	27,496
<b>Deferred tax</b>		
Origination and reversal of timing differences	(36,971)	-
Total tax charge	15,480	27,496

# ABTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Loss before taxation	(721,589)	(162,835)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	(144,318)	(32,974)
Tax effect of expenses that are not deductible in determining taxable profit	3,527	2,246
Change in unrecognised deferred tax assets	33,659	-
Adjustments in respect of prior years	52,451	-
Effect of change in corporation tax rate	3,512	-
Group relief	65,995	33,932
Permanent capital allowances in excess of depreciation	-	(3,204)
Other permanent differences	654	-
Other timing differences leading to an increase in taxation	-	27,496
Taxation charge for the year	15,480	27,496

#### 10 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, Motor vehicles fittings & equipment £	£	Total £
<b>Cost</b>				
At 1 January 2016	28,140	564,977	391,733	984,850
Additions	-	12,490	-	12,490
Disposals	-	(13,834)	(27,500)	(41,334)
At 31 December 2016	28,140	563,633	364,233	956,006
<b>Depreciation and impairment</b>				
At 1 January 2016	4,233	365,082	151,950	521,265
Depreciation charged in the year	2,814	37,983	56,726	97,523
Eliminated in respect of disposals	-	(13,834)	(12,676)	(26,510)
At 31 December 2016	7,047	389,231	196,000	592,278
<b>Carrying amount</b>				
At 31 December 2016	21,093	174,402	168,233	363,728
At 31 December 2015	23,906	199,895	239,783	463,584

# ABTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 10 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Motor vehicles	75,536	100,716
Depreciation charge for the year in respect of leased assets	25,180	10,788

### 11 Financial instruments

	2016 £	2015 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	775,674	1,168,604
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,541,040	1,886,998

### 12 Stocks

	2016 £	2015 £
Raw materials and consumables	973,444	1,085,011
Work in progress	106,217	52,845
	1,079,661	1,137,856

### 13 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	733,362	1,052,215
Corporation tax recoverable	15,915	98,602
Amounts due from group undertakings	262,899	798,623
Other debtors	26,397	17,788
Prepayments and accrued income	115,296	117,190
	1,153,869	2,084,418

# ABTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 14 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	16	-	86,623
Obligations under finance leases	17	15,523	34,090
Trade creditors		846,747	987,117
Amounts due to group undertakings		-	175,271
Other taxation and social security		72,148	61,159
Other creditors		487,615	558,143
Accruals and deferred income		83,380	108,716
		<u>1,505,413</u>	<u>2,011,119</u>

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

	Notes	2016 £	2015 £
Obligations under finance leases	17	<u>35,627</u>	<u>51,150</u>

### 16 Loans and overdrafts

	2016 £	2015 £
Bank overdrafts	<u>-</u>	<u>86,623</u>
Payable within one year	<u>-</u>	<u>86,623</u>

Bank borrowings are secured by fixed and floating charges over the assets of the company and are guaranteed by its ultimate parent undertaking.

Included in other creditors due within one year is an amount of £487,002 (2015:£556,647) in respect of invoice discounting liabilities which are secured on the assets of the company.

### 17 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	15,523	34,090
In two to five years	35,627	45,533
In over five years	-	5,617
	<u>51,150</u>	<u>85,240</u>

# ABTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 17 Finance lease obligations

(Continued)

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term five years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 18 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	19	-	36,971
		<u>-</u>	<u>36,971</u>
		<u>-</u>	<u>36,971</u>

### 19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2016 £	Liabilities 2015 £
<b>Balances:</b>		
Accelerated capital allowances	36,216	36,971
Tax losses	(35,117)	-
Short term timing differences	(1,099)	-
	<u>-</u>	<u>36,971</u>
	<u>-</u>	<u>36,971</u>
<b>Movements in the year:</b>		2016 £
Liability at 1 January 2016		36,971
Credit to profit or loss		(36,971)
		<u>-</u>
Liability at 31 December 2016		<u>-</u>

Deferred tax is not recognised in respect of tax losses of £345,084 as it is not probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

# ABTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 20 Retirement benefit schemes

	2016 £	2015 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	104,201	129,808

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

Contributions totalling £21,756 (2015:£10,740) were payable to the fund at the balance sheet date.

### 21 Share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
170,001 Ordinary of £1 each	170,001	1

#### Reconciliation of movements during the year:

	Ordinary Number
At 1 January 2016	1
Issue of fully paid shares	170,000
At 31 December 2016	170,001

### 22 Operating lease commitments

#### Lessee

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

	2016 £	2015 £
Within one year	318,618	63,526
Between two and five years	836,262	845,612
	1,154,880	909,138

# **ABTECH LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **23 Related party transactions**

#### **Transactions with related parties**

During the year ended 31 December 2016 the company has made sales and recharged costs amounting to £333,343 (£242,884) to Tudor Treadmills Limited, a company in which Mr M Lancashire is a director. Included in debtors at 31 December 2017 is an amount of £37,335 (2015:£71,638) owed by Tudor Treadmills Limited to the company.

During the year ended 31 December 2016 the company paid rent of £75,004 (2015:£73,352) to the pension scheme of Mr M Lancashire, director.

At 31 December 2016 an amount of £101 (2015:£757) was owed by the company to Mr A T Moran, director.

At 31 December 2016 an amount of £511 (2015:£739) was owed by the company to Mr M Lancashire, director.

As the company is a wholly owned subsidiary of Drishaun Holdings Limited, the company has taken advantage of the exemption allowed within Section 33 of FRS102 and has not disclosed transactions or balances with the holding company or fellow wholly owned subsidiary undertakings.

### **24 Controlling party**

The ultimate parent undertaking is Drishaun Holdings Limited, a company registered in England. Its registered office is 199-201 Newhall Road, Lower Don Valley, Sheffield S9 2QJ

The ultimate controlling parties are Mr M and Mrs A Lancashire.

# ABTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 25 Cash generated from operations

	2016 £	2015 £
Loss for the year after tax	(737,069)	(190,331)
<b>Adjustments for:</b>		
Taxation charged	15,480	27,496
Finance costs	19,005	22,325
Investment income	(7,037)	(3,674)
Gain on disposal of tangible fixed assets	(6,596)	(321)
Depreciation and impairment of tangible fixed assets	97,523	122,004
<b>Movements in working capital:</b>		
Decrease in stocks	58,195	53,204
Decrease in debtors	858,129	621,916
(Decrease) in creditors	(410,783)	(788,617)
<b>Cash absorbed by operations</b>	<u>(113,153)</u>	<u>(135,998)</u>