Aghareany Limited

Directors' report and consolidated financial statements for the year ended 31 December 2014

Registration No: NI060161 (Northern Ireland)

Contents

Directors and advisors

Directors

Aidan O'Neill
Martin O'Neill
Paul O'Neill
Mary Turkington
Olive McCluggage
Angela O'Neill
Andrew McCluggage

Company Secretary

Aidan O'Neill

Registered Office

12 Torrent Business Centre
Donaghmore
Dungannon

Registered Auditors

ASM (M) Ltd
Chartered Accountants
The Diamond Centre
Market Street
Magherafelt

Bankers

Ulster Bank Limited
11-16 Donegall Square East
Belfast

Solicitors

McCluggage & Co Limited
12 Torrent Business Centre
Donaghmore

Strategic report

Principal activities

The principal activity of the Group is the manufacture of crawler track systems.

Review of business and future developments

Both the level of business and the year end financial position were considered satisfactory and the directors expect that the current level of activity will be sustained for the foreseeable future.

Future outlook

The directors remain confident that the current level of performance will be maintained in the future and it is the Directors' intention to continue to develop the present activities of the Group.

Principal risks and uncertainties

The key business risks and uncertainties affecting the Group are increasing raw material costs and maintaining sales levels.

The Group's management endeavour to mitigate these risks by implementing regular strategic and operational reviews.

Financial risk management

The Group's operations expose it to a variety of financial risks that include credit, liquidity and foreign exchange risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group.

Credit risk

The Group has implemented policies through its credit control procedures to ensure appropriate credit checks are performed on potential customers before sales are made. The Group has credit insurance in place to hedge against this risk.

Liquidity risk

The Group actively maintains a mixture of long term and short term debt finance that is designed to ensure the Group has sufficient available funds for operations and planned expansions.

Foreign exchange risk

While operations of the Group are mainly in the United Kingdom the Group is exposed to foreign exchange risk in the normal course of business principally on sales and purchases denominated in Euro and US Dollars. The Group operates Euro and US Dollar denominated bank accounts and fixed rate foreign exchange contracts to hedge its foreign exchange risk.

Strategic report (continued)

Key performance indicators

The Group's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

By order of the Board

M ONeill

Martin O'Neill
Director

28 September 2015

Directors' report

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2014.

Results

The consolidated profit and loss account is set out on page 8.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2014. The profit for the year has been transferred to reserves.

Directors

The directors of the Company at 31 December 2014, who have all been directors for the whole of the year ended on that date, except as noted below, are listed on page 1.

Name	Appointment date
Andrew McCluggage	17 November 2014
Angela O'Neill	17 November 2014

Changes in fixed assets

The movements in fixed assets during the year are set out in notes 12, 13 and 14 to the consolidated financial statements.

Taxation status

The Company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Research and development

The Group is involved in the development of new crawler track systems for future commercial production.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the consolidated 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 the affairs of the Company and Group and the profit or loss of the Company and Group for that year.

Directors' report (continued)

Directors' responsibilities statement (continued)

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures, disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the Company and the Group auditors are unaware. Additionally, the directors 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 and the Group's auditors are aware of that information.

This statement is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditors

The auditors, ASM (M) Ltd, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

By order of the Board

M O'Neill

Martin O'Neill
Director

28 September 2015

Independent auditors' report to the members of Aghareany Limited

We have audited the consolidated financial statements of Aghareany Limited for the year ended 31 December 2014 which comprise the Consolidated Profit and Loss Account, the Company and Group Balance Sheets, the Consolidated Cash Flow Statement 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).

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 opinion we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' Report, the directors are responsible for the preparation of the consolidated 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 consolidated 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the consolidated financial statements

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated 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 and Group 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 consolidated financial statements.

In addition, we read all the financial and non-financial information in the annual 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 consolidated financial statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the Company and Group's affairs as at 31 December 2014 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.

Independent auditors' report to the members of Aghareany Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

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 consolidated 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 of the information and explanations we require for our audit.

Mark McNeill

Mark McNeill (Senior Statutory Auditor)

For and on behalf of:
ASM (M) Ltd
Chartered Accountants and Statutory Auditors

The Diamond Centre
Market Street
Magherafelt

28 September 2015

Consolidated profit and loss account

	Notes	2014 (12 months) £	2013 (17 months) £
Turnover	1, 2	**43,611,690**	66,906,872
Cost of sales		**(38,846,829)**	(60,272,588)
Gross profit/(loss)		**4,764,861**	6,634,284
Net operating expenses	3	**(1,391,344)**	(3,569,672)
Operating profit/(loss)		**3,373,517**	3,064,612
Exceptional income/(charges)	4	**21,521**	(292,921)
Investment income		**63,028**	134,574
Other income		**-**	76,795
Profits/(loss) on ordinary activities before interest payable		**3,458,066**	2,983,060
Interest payable and similar charges	7	**(13,203)**	(103,535)
Profit/(loss) on ordinary activities before taxation	8	**3,444,863**	2,879,525
Taxation	9	**(480,704)**	(467,906)
Profit/(loss) for the year	21, 22	**2,964,159**	2,411,619

All amounts above relate to continuing operations of the Group.

The Group has no recognised gains or losses other than the profits/(losses) above and therefore no separate consolidated statement of total recognised gains and losses has been presented.

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the year stated above and their historical cost equivalents.

Balance sheets

	Notes	Group 2014	Group 2013	Company 2014	Company 2013
		£	£	£	£
Fixed assets					
Intangible fixed assets	12	-	-	-	-
Tangible fixed assets	13	**128,102**	109,140	-	-
Investments	14	-	-	**3,097,028**	3,097,028
		128,102	109,140	**3,097,028**	3,097,028
Current assets					
Stock	15	**6,481,107**	8,266,870	-	-
Debtor	16	**14,382,195**	9,869,718	**3,083,516**	912,460
Cash at bank		**8,497,174**	7,801,793	**4,284,928**	5,325,503
		29,360,476	25,938,381	**7,368,444**	6,237,963
Creditors: amounts falling due within one year	17	**15,226,989**	14,755,197	**2,203,588**	3,654,882
Net current assets/(liabilities)		**14,133,487**	11,183,184	**5,164,856**	2,583,081
Total assets less current liabilities		**14,261,589**	11,292,324	**8,261,884**	5,680,109
Creditors: amounts falling due after one year	18	**169,431**	169,431	**169,431**	169,431
Provisions for liabilities	19	**18,564**	13,458	-	-
		187,995	182,889	**169,431**	169,431
Net assets		**14,073,594**	11,109,435	**8,092,453**	5,510,678
Capital and reserves					
Called up share capital	20	**5**	5	**5**	5
Share premium account	21	**999,995**	999,995	**999,995**	999,995
Profit and loss account	21	**13,073,594**	10,109,435	**7,092,453**	4,510,678
Total equity shareholders' funds	22	**14,073,594**	11,109,435	**8,092,453**	5,510,678

The consolidated financial statements on pages 8 to 23 were approved and authorised for issue by the Board of Directors on 28 September 2015 and were signed on its behalf by:

M O'Neill

Martin O'Neill
Director

Registration Number: NI060161

Consolidated cash flow statement for the year ended 31 December 2014

	2014 (12 months) £	2013 (17 months) £
Net cash inflow/(outflow) from operating activities (page 11)	**3,526,928**	10,206,062
Returns on investments and servicing of finance		
Interest paid	**(13,203)**	(103,535)
Bank compensation	**-**	76,795
Interest received	**63,028**	134,574
	49,825	107,834
Taxation	**(1,659,840)**	(1,490,980)
Capital expenditure		
Purchase of tangible fixed assets	**(60,162)**	(127,515)
Net cash outflow for capital expenditure	**(60,162)**	(127,515)
Financing		
Bank loan repayment	**-**	-
Net cash outflow for financing	**-**	-
Increase/(decrease) in cash and cash equivalents	**1,856,751**	8,695,401

Consolidated cash flow statement for the year ended 31 December 2014

Reconciliation of operating profit to net cash inflow from operating activities

	2014 (12 months) £	2013 (17 months) £
Operating profit (page 8)	**3,373,517**	3,064,612
Depreciation of tangible fixed assets	**41,200**	48,201
(Increase)/decrease in stocks	**1,785,763**	(119,345)
(Increase)/decrease in trade debtors	**(429,250)**	6,126,309
Increase/(decrease) in trade creditors	**(656,147)**	(3,550,027)
(Increase)/decrease in other debtors and prepayments	**(383,836)**	344,101
(Increase)/decrease in related party debt	**942,307**	(392,595)
Increase/(decrease) in other creditors and accruals	**(512,832)**	4,548,633
Increase/(decrease) in other taxation and social security	**(633,794)**	136,173
Net cash inflow/(outflow) from continuing operating activities	**3,526,928**	10,206,062

Analysis of changes in net debt

	2014 (12 months) £	2013 (17 months) £
Opening balance	**6,474,168**	(2,221,233)
Net cash flow	**1,856,751**	8,695,401
Closing balance	**8,330,919**	6,474,168

	2014 (12 months) £	2013 (17 months) £	**Change in the year £**
Analysis of balances			
Cash at bank and in hand	**8,497,174**	7,801,793	**695,381**
Bank overdraft	**(166,255)**	-	**(166,255)**
Commercial finance	-	(1,327,625)	**1,327,655**
	8,330,919	6,474,168	**1,856,781**

	Bank loans £
Analysis of changes in financing	
At 1 January 2014	-
Loan repayments	-
At 31 December 2014	-

Notes to the consolidated financial statements

1. Principal accounting policies

The consolidated financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important policies, which have been applied consistently, is set out below.

Basis of accounting

The consolidated financial statements are prepared in accordance with the historical cost convention.

Going concern

The Group made a profit during the year ended 31 December 2014 and, at that date, the Group's assets exceeded its liabilities.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the Company and its subsidiary undertakings. Intra-group sales and profits are eliminated fully on consolidation.

Turnover

Turnover represents amounts receivable for goods and services net of value added taxation and trade discounts.

Investment income

Income from deposits is included, together with the related tax credit, in the profit and loss account on an accruals basis.

Parent company profit and loss

The Company is exempt from publishing its profit and loss account under Section 408 of the Companies Act 2006.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, net of amortisation and any provision for impairment.

Goodwill arising on the acquisition of subsidiaries and other purchased goodwill is eliminated by amortisation through the profit and loss account on a straight line basis over its useful economic life. The principal rates used for this purpose are as follows:

	%
Goodwill arising on consolidation	20

The carrying values of goodwill are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the consolidated financial statements (continued)

1. Principal accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at their purchase cost, net of depreciation and any provision for impairment.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are as follows:

	%
Leasehold improvements	10
Plant and machinery	10 – 25
Computer equipment	25 – 50
Fixtures and fittings	25
Motor vehicles	25

The cost of freehold land is not depreciated.

Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the exchange rates ruling at that date. All exchange differences are taken to the profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and direct costs. Net realisable value is based on estimated selling price less further costs expected to be incurred on completion or disposal. Provision is made for any slow moving or obsolete stock.

Research and development

Research expenditure is written off to the profit and loss account in the period in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the Company is expected to benefit.

Deferred taxation

Deferred taxation is stated on a full liability basis on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are not recognised in the consolidated financial statements.

Notes to the consolidated financial statements (continued)

2. Turnover

No analysis of turnover by activity or geographical area has been provided as in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the Company and Group.

3. Net operating expenses

	2014 (12 months) £	2013 (17 months) £
Administrative expenses	1,391,344	3,569,672

4. Exceptional income/(charges)

	2014 (12 months) £	2013 (17 months) £
Waiver/(write off) of related Company debt	21,521	(292,921)
	21,521	(292,921)

5. Directors' emoluments

	2014 (12 months) £	2013 (17 months) £
Salary and other benefits in kind	180,305	324,369

6. Employees

The average number of persons (including executive directors) employed by the Group during the period was:

	2014 (12 months) Number	2013 (17 months) Number
By activity		
Administration	26	26
Sales	5	5
Production	32	26
	63	57
	£	£
Staff costs (for the above persons)		
Wages and salaries	1,539,165	1,999,866
Social security costs	145,152	210,534
Other pension costs	200,000	250,000
	1,884,317	2,460,400

Notes to the consolidated financial statements (continued)

7. Interest payable and similar charges

	2014 (12 months) £	2013 (17 months) £
On bank overdrafts and loans:		
Repayable in instalments within five years	**9,594**	103,535
Other interest	**3,609**	-
	13,203	103,535

8. Profit/(loss) on ordinary activities before taxation

	2014 (12 months) £	2013 (17 months) £
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	**11,150**	9,500
Depreciation of tangible fixed assets	**41,200**	48,201
Exceptional charges	**-**	292,921
And after crediting:		
Exceptional income	**21,521**	-
Other income	**-**	76,795
Investment income	**63,028**	134,574

9. Taxation

(a) Analysis of the charge for the year

	2014 (12 months) £	2013 (17 months) £
Corporation tax		
UK corporation tax on the profit/(loss) for the period	**540,977**	453,008
Adjustments in respect of prior years	**(65,379)**	1,440
Total corporation tax	**475,598**	454,448
Deferred tax		
Origination and reversal of timing differences	**5,742**	13,458
Adjustments in respect of prior years	**(636)**	-
Total deferred tax	**5,106**	13,458
Total tax charge	**480,704**	467,906

Notes to the consolidated financial statements (continued)

9. Taxation (continued)

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom (21%). The difference is explained as follows:

	2014 (12 months) £	2013 (17 months) £
Profit/(loss) on ordinary activities before taxation	**3,444,863**	2,879,525
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013: 23%)	**723,421**	662,291
Effects of:		
Capital allowances for the year in excess of depreciation	**(6,198)**	(22,089)
Expenses not deductible for tax purposes	**1,213**	69,539
Research and development tax allowance	**(188,937)**	(265,769)
Change in rate of corporation tax	**11,478**	9,036
	540,977	453,008

10. Profit/(loss) for the financial year

Aghareany Limited has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006. The amount of consolidated profit for the financial year dealt with in the accounts of the holding company is **£2,581,775** (2013: £507,981).

11. Dividend

	2013 (17 months) £	2013 (17 months) £
Ordinary dividend		
Interim dividend of **£Nil** (2013:£Nil) per Ordinary Share of £0.01each	**-**	-
	-	-

Notes to the consolidated financial statements (continued)

12. Intangible fixed assets

Group	**Goodwill arising on consolidation**
	£
Cost	
At 1 January 2014	2,121,528
Additions	-
Disposals	-
At 31 December 2014	2,121,528
Amortisation	
At 1 January 2014	2,121,528
Charge for the year	-
Disposals	-
At 31 December 2014	**2,121,528**
Net book value	
At 31 December 2014	**-**
At 31 December 2013	-

Goodwill arising on consolidation consists solely of goodwill arising on the purchase of the share capital of Strickland Tracks Limited, a Company registered in England and Wales, on 9 December 2007.

Company

The Company had no intangible fixed assets at the 31 December 2014 or at 31 December 2013.

13. Tangible fixed assets

Group	**Leasehold improvements**	**Plant & machinery**	**Computer equipment**	**Fixtures & fittings**	**Motor vehicles**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Cost						
At 1 January 2014	42,125	386,026	131,487	49,507	3,500	612,645
Additions	-	35,730	-	24,432	-	60,162
Disposals	-	-	-	-	(3,500)	(3,500)
At 31 December 2014	**42,125**	**421,756**	**131,487**	**73,939**	**-**	**669,307**
Depreciation						
At 1 January 2014	39,659	311,403	99,436	49,507	3,500	503,505
Charge for the year	2,106	28,526	9,087	1,481	-	41,200
Disposals	-	-	-	-	(3,500)	(3,500)
At 31 December 2014	**41,765**	**339,929**	**108,523**	**50,988**	**-**	**541,205**
Net book value						
At 31 December 2014	**360**	**81,827**	**22,964**	**22,951**	**-**	**128,102**
At 31 December 2013	2,466	74,623	32,051	-	-	109,140

Company

The Company had no tangible fixed assets at 31 December 2014 or at 31 December 2013.

Notes to the consolidated financial statements (continued)

14. Fixed assets investments

Group

The Group had no fixed asset investments at 31 December 2014 or at 31 December 2013.

Company	**Interests in group undertakings**
	£
Cost	
At 1 January 2014	3,097,028
Additions	-
At 31 December 2014	3,097,028
Depreciation	
At 1 January 2014	-
Charge for the year	-
At 31 December 2014	-
Net book value	
At 31 December 2014	**3,097,028**
At 31 December 2013	3,097,028

Investments do not include any investments listed on a recognised stock exchange.

Interests in group undertakings

Interest in Group undertakings are analysed as follows:

Name of undertaking	**Country of incorporation or registration**	**Description of shares held**	**Proportion of nominal value of issued shares held**	
			Group	**Company**
			%	**%**
Strickland Tracks Limited	Great Britain	Ordinary £1 Shares	100	100

The principal activity of the above Company is the manufacture and sale of crawler track systems.

The above Company operated principally in its country of incorporation.

The financial performance and net asset value at the end of the last statement of account for the group undertaking listed above was:

Name of undertaking	**Latest financial statements**		**Profit/(loss) after taxation**	**Net assets/ (liabilities)**
	Period ended	**Period of account months**	**£**	**£**
Strickland Tracks Limited	31 December 2014	12	2,918,407	9,078,169

Notes to the consolidated financial statements (continued)

15. Stocks

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Raw materials	**5,319,456**	7,262,146	-	-
Finished goods	**1,161,651**	1,004,724	-	-
	6,481,107	8,266,870	-	-

There is no material difference in the replacement costs of stock and their balance sheet amounts.

16. Debtors

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Amounts falling due within one year				
Trade debtors	**8,821,675**	8,392,425	-	-
Prepayments	**110,558**	68,634	-	-
Corporation tax	**1,393,857**	209,615	-	-
Value added taxes receivable	**509,668**	-	**103,334**	-
Other debtors	**357,160**	15,470	-	-
Interest receivable	**12,182**	11,960	**12,182**	11,960
Owed by related undertakings (note 26)	**3,177,095**	1,171,614	**2,768,000**	900,500
	14,382,195	9,869,718	**2,883,516**	912,460
Amounts falling due after one year				
Owed by group undertakings (note 26)	-	-	**200,000**	-
	-	-	**200,000**	-
	14,382,195	9,869,718	**3,083,516**	912,460

17. Creditors: amounts falling due within one year

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Bank overdraft	**166,255**	-	-	-
Commercial finance	-	1,327,625	-	-
Trade creditors	**3,750,752**	4,406,899	-	-
Corporation tax	-	-	**11,438**	121,021
Owed to related undertakings (note 26)	**4,786,847**	1,660,580	**1,090,019**	500,519
Owed to directors	**54,647**	887,136	**54,647**	886,342
Value added taxes payable	-	128,782	-	-
Payroll taxes	**60,570**	55,914	-	-
Accruals and deferred income	**6,129,273**	6,053,403	**1,047,484**	2,147,000
Other creditors	**278,645**	234,858	-	-
	15,226,989	14,755,197	**2,203,588**	3,654,882

Notes to the consolidated financial statements (continued)

18. Creditors: amounts falling due after one year

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Owed to related undertakings (note 26)	**169,431**	169,431	**169,431**	169,431
	169,431	169,431	**169,431**	169,431

Commercial finance facilities are secured by a fixed charge over the Group's assets, an all monies debenture incorporating full fixed and floating charge over the assets of Aghareany Limited and a full intercompany cross guarantee with Strickland Tracks Limited and Carmont Limited.

19. Deferred taxation

Deferred taxation provided in the financial statements is analysed as follows:

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Tax effect of timing differences because of:				
Accelerated capital allowances	**18,564**	13,458	-	-
	18,564	13,458	-	-

Movement in the provision during the year

	Group	Company
	£	£
At 1 January 2014	13,458	-
Transfer from/(to) the profit and loss account (note 9)	5,106	-
At 31 December 2014	**18,564**	-

20. Called up share capital

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Allotted, called up and fully paid				
500 Ordinary Shares of £0.01 each	5	5	5	5

Notes to the consolidated financial statements (continued)

21. Reserves

	Group		Company	
	Share premium account	**Profit and loss account**	**Share premium account**	**Profit and loss account**
	£	**£**	**£**	**£**
At 1 January 2014	999,995	10,109,435	999,995	4,510,678
Profit/(loss) for the year	-	2,964,159	-	2,581,775
Equity dividends paid (note 11)	-	-	-	-
At 31 December 2014	**999,995**	**13,073,594**	**999,995**	**7,092,453**

22. Reconciliation of the movement in equity shareholders' funds

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Opening shareholders' funds	**11,109,435**	8,697,816	**5,510,678**	5,002,697
Profit/(loss) for the year	**2,964,159**	2,411,619	**2,581,775**	507,981
Equity dividends paid (note 11)	-	-	-	-
Closing shareholders' funds	**14,073,594**	11,109,435	**8,092,453**	5,510,678

23. Contingent liabilities

Warranty

The Group provides for warranty claims on its products, depending on the type of product/component. The warranty period varies depending upon sales agreements reached with each customer. Provision has been made for warranty costs based on actual and anticipated claims.

VAT

The Company is included within a group VAT registration scheme. As such the Company is jointly and severally liable for the amounts owed by the other VAT group companies at the balance sheet date. At the balance sheet date this amounted to **£Nil** (2013: £30,735).

Other

The Company and Group had no other contingent liabilities at 31 December 2014 or at 31 December 2013.

24. Capital commitments

The Company and Group had no capital commitments at 31 December 2014 or at 31 December 2013.

Notes to the consolidated financial statements (continued)

25. Other financial commitments

Operating lease commitments

Annual commitments exist under non-cancellable operating leases as follows:

	Land and Buildings £
Expiring:	
Within one year	-
Between two and five years	-
More than five years	240,000
	240,000

The Company had no operating lease commitments at 31 December 2014 or at 31 December 2013.

26. Related party transactions

Group undertakings

The Company has taken advantage of the exemption under Financial Reporting Standard No.8 "Related Party Transactions" not to disclose transactions with group undertakings.

Related undertakings

Carmont Limited, a company established in Northern Ireland, Annaghbeg Limited, a company established in Northern Ireland ,Strickland MFG Limited, a company established in England and Wales, Ballyliffan Limited, a company established in Northern Ireland, Acker Developments Limited, a company established in Northern Ireland, Mid-Ulster Reproductions Limited, a company established in Northern Ireland, Blackrock MFG Limited, a company established in Northern Ireland, Tullymore Limited, a company established in Northern Ireland, Nevache Limited, a company established in Northern Ireland, Wuxi Strickland Tracks Co Limited, a company established in China and Cherryview Properties Limited, a company established in Northern Ireland are considered to be related parties as defined by Financial Reporting Standard No 8 "Related Party Transactions" on the basis that all of these companies are under common control.

Notes to the consolidated financial statements (continued)

26. Related party transactions (continued)

Related undertakings (continued)

The transactions during the year with these related undertakings and the amounts owed by/(to) these undertakings at the start and end of the financial year are analysed as follows:

Related undertaking	**At 1 January 2014**	**Loan advances/ (repayments)**	**Amounts written off**	**At 31 December 2014**
	£	**£**	**£**	**£**
Carmont Limited	(169,431)	-	-	**(169,431)**
Annaghbeg Limited	(167,335)	-	-	**(167,335)**
Strickland MFG Limited	(1,013,297)	628,981	-	**(384,316)**
Mid-Ulster Reproductions Limited	8,958	23,704	-	**32,662**
Ballyliffan Limited	(188,501)	188,501	-	**-**
Acker Developments Limited	(226,447)	(3,216,815)	-	**(3,443,262)**
Blackrock MFG Limited	(65,000)	61,567	-	**(3,433)**
Cherryview Properties Limited	-	(788,501)	-	**(788,501)**
Tullymore Limited	600,000	-	-	**600,000**
Nevache Limited	290,000	1,878,000	-	**2,168,000**
Wuxi Strickland Tracks Co Limited	272,656	103,777	-	**376,433**
	(658,397)	(1,120,786)	-	**(1,779,183)**

27. Ultimate controlling party

The ultimate controlling party is Pat O'Neill, who controls holds 95% of the Company's equity share capital.