

FORTUS HARDWARE LIMITED

**FINANCIAL STATEMENTS
(PAGES FOR FILING WITH REGISTRAR)**

FOR THE YEAR ENDED 31 DECEMBER 2016



FORTUS HARDWARE LIMITED

COMPANY INFORMATION

DIRECTORS

Mr B Flynn
Mr P Gregg

COMPANY SECRETARY

Mr P Grant

REGISTERED NUMBER

NI630499

REGISTERED OFFICE

26-30 Rydalmere Street
Donegall Road
Belfast
BT12 6GF

INDEPENDENT AUDITORS

GMcG BELFAST
Chartered Accountant & Statutory Auditor
Alfred House
19 Alfred Street
Belfast
BT2 8EQ

BANKERS

Ulster Bank Limited
54 Boucher Road
Belfast
BT12 6HR

SOLICITORS

Mills Selig
21 Arthur Street
Belfast
BT1 4GA

FORTUS HARDWARE LIMITED

CONTENTS

	Page
Balance Sheet	1
Notes to the Financial Statements	2 - 9

FORTUS HARDWARE LIMITED
REGISTERED NUMBER: NI630499

BALANCE SHEET
AS AT 31 DECEMBER 2016


	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	4	12,209	18,732
		<u>12,209</u>	<u>18,732</u>
CURRENT ASSETS			
Stocks	5	581,706	508,752
Debtors: amounts falling due within one year	6	773,722	649,426
Cash at bank and in hand	7	7,660	1,017
		<u>1,363,088</u>	<u>1,159,195</u>
Creditors: amounts falling due within one year	8	(1,108,422)	(1,116,183)
NET CURRENT ASSETS		<u>254,666</u>	<u>43,012</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>266,875</u>	<u>61,744</u>
NET ASSETS		<u><u>266,875</u></u>	<u><u>61,744</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	266,775	61,644
		<u>266,875</u>	<u>61,744</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


Mr B Flynn
 Director

The notes on pages 2 to 9 form part of these financial statements.

FORTUS HARDWARE LIMITED

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

1. GENERAL INFORMATION

The principal activity of the company during the year was the sale of window and door hardware products. The entity is a limited liability company incorporated in Northern Ireland. The company's principal place of business is its registered office at 26-30 Rydalmere Street, Donegall Road, Belfast BT12 6GF.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

FORTUS HARDWARE LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	20% per annum straight line
Motor vehicles	-	25% per annum straight line
Fixtures and fittings	-	20% per annum straight line
Computer equipment	-	25% per annum straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

FORTUS HARDWARE LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

FORTUS HARDWARE LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.12 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

FORTUS HARDWARE LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.14 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 6 (2015 -6).

FORTUS HARDWARE LIMITED

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

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION					
At 1 January 2016	13,560	7,350	880	44,070	65,860
At 31 December 2016	13,560	7,350	880	44,070	65,860
DEPRECIATION					
At 1 January 2016	9,013	1,530	90	36,495	47,128
Charge for the period on owned assets	1,560	1,836	180	2,947	6,523
At 31 December 2016	10,573	3,366	270	39,442	53,651
NET BOOK VALUE					
At 31 December 2016	2,987	3,984	610	4,628	12,209
At 31 December 2015	4,547	5,820	790	7,575	18,732

5. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	581,706	508,752
	581,706	508,752

6. DEBTORS

	2016 £	2015 £
Factored debts	740,893	631,462
Amounts owed by group undertakings	28,900	15,000
Prepayments and accrued income	3,929	2,964
	773,722	649,426

FORTUS HARDWARE LIMITED

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

6. DEBTORS (CONTINUED)

Factored debts represent debtors that are subject to invoice discounting. The debtors are pledged as security for debtor finance that has been advanced to the company.

7. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	7,660	1,017
Less: bank overdrafts	(11,621)	(137,356)
	<u>(3,961)</u>	<u>(136,339)</u>

8. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	11,621	137,356
Trade creditors	458,709	415,076
Amounts owed to group undertakings	5,962	104,819
Corporation tax	28,217	15,457
Other taxation and social security	54,513	43,558
Debtor finance	516,129	383,580
Other creditors	-	1,251
Accruals and deferred income	33,271	15,086
	<u>1,108,422</u>	<u>1,116,183</u>

The company's bank facilities are secured by a floating charge over the company's assets and undertakings, and a cross company guarantee between Profast (NI) Limited, Profast Limited, Profast Group Limited, Fortus Hardware Limited, Aptus Fastener Systems Limited and Profast (UK) Limited.

Debtor finance is secured on the book debts of the company.

9. SHARE CAPITAL

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

FORTUS HARDWARE LIMITED

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

10. RESERVES

Profit and loss account

The profit and loss account represents the retained earnings of the company that are available for distribution.

11. CONTINGENT LIABILITIES

The company has provided an all monies cross guarantee as security for certain borrowings of its parent company Profast Group Limited and its fellow subsidiaries Profast Limited, Aptus Fastener Systems Limited, Profast (NI) Limited and Profast (UK) Limited.

12. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £24,215 (2015 - £8,775). Contributions totalling £2,100 (2015 - £1,133) were payable to the fund at the balance sheet date and are included in creditors.

13. RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary the directors have taken advantage of the exemption from disclosing related party transactions with other wholly owned group companies, in accordance with FRS 102.

No other transactions with related parties were undertaken that are required to be disclosed under FRS 102.

14. CONTROLLING PARTY

The company's parent company is Profast Group Limited. Profast Group Limited is the smallest group for which consolidated financial statements have been drawn up, copies of which are available from its registered office at 26-30 Rydalmere Street, Belfast, BT12 6GF.

The company's controlling party and ultimate parent company is Profast Holdings Limited, a company registered in Northern Ireland. Profast Holdings Limited has included the company in its group financial statements, copies of which are available from its registered office at 26-30 Rydalmere Street, Belfast, BT12 6GF.

The company's ultimate controlling party is Mr B Flynn.

15. AUDITORS' INFORMATION

The company is subject to audit and has taken advantage of the option to not file a copy of its profit and loss account at Companies House. The auditor's information required to be disclosed in accordance with section 445(5A) of the Companies Act 2006 is:

- the auditor's report was unqualified;
- there were no matters to which the auditor drew attention by way of emphasis;
- the audit report was signed by Mrs Susan Dunlop (FCA) a Senior Statutory Auditor for and on behalf of GMcG BELFAST.