

Company Registration No. SC085981 (Scotland)

BCF TECHNOLOGY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015



BCF TECHNOLOGY LIMITED

COMPANY INFORMATION

Directors	A J Picken G Mitchell W Whitelaw
Secretary	A J Picken
Company number	SC085981
Registered office	Imaging House Phoenix Crescent Strathclyde Business Park Bellshill Lanarkshire ML4 3NJ
Auditors	RSM UK Audit LLP Chartered Accountants Third Floor Centenary House 69 Wellington Street Glasgow G2 6HG

BCF TECHNOLOGY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and financial statements for the year ended 31 December 2015.

Fair review of the business

In line with the last few years BCF continues to invest significantly in growing their Veterinary Imaging market presence around the world. The business continues to build both direct subsidiary businesses in specific targeted countries, whilst also extending their distribution network. This network of businesses and partners will provide routes to market for our widening product portfolio and supported by our increased resources in veterinary clinical medicine. BCF also continues to invest in various innovation projects, specifically building the technology platforms upon which future product portfolio will be based. BCF product portfolio is a shared mix of in house designed ultrasound, blue chip supplied medical ultrasound, radiography and CT, technical support and clinical support.

BCF believe that animal care can be improved through better use of advanced veterinary imaging technology and have created a vision, culture, values and talented individuals that share this belief. Additionally, BCF ensure that our staff are engaged through their own personal development opportunities and supported with a Business Excellence Leadership style throughout all our offices.

On behalf of the board



A J Picken
Director

18/8/16

BCF TECHNOLOGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company continued to be that of design, manufacture and sale of diagnostic equipment and consumables for veterinary applications.

Branches

The company operates branches in the Republic of Ireland, France and India.

Directors

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

A J Picken
G Mitchell
W Whitelaw

Results and dividends

The results for the year are set out on page 5.

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

Auditor

RSM UK Audit LLP were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's 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 auditors are aware of that information.

On behalf of the board



A J Picken

Director

18/8/16

BCF TECHNOLOGY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BCF TECHNOLOGY LIMITED

We have audited the financial statements on pages 5 to 29. 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 FRS102 "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 more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 (APB'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 Financial Reporting Council's website at <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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Alan Aitchison (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor
Centenary House
69 Wellington Street
Glasgow

G2 6HG

18/08/16

BCF TECHNOLOGY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015


	Notes	2015 £	2014 £
Turnover	2	12,512,063	10,792,901
Cost of sales		(6,941,783)	(5,814,129)
Gross profit		5,570,280	4,978,772
Administrative expenses		(5,298,632)	(5,050,332)
Other operating income		238,694	30,362
Operating profit/(loss)	3	510,342	(41,198)
Interest receivable and similar income	7	172	615
Interest payable and similar charges	8	(1,039)	(1,377)
Profit/(loss) on ordinary activities before taxation		509,475	(41,960)
Taxation	9	(128,848)	(12,239)
Profit/(loss) for the financial year	23	380,627	(54,199)
Total comprehensive income for the year		380,627	(54,199)

The income statement has been prepared on the basis that all operations are continuing operations.

BCF TECHNOLOGY LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2015**

	Notes	2015 £	£	2014 £	£
Fixed assets					
Intangible assets	10	589,057		553,800	
Tangible assets	11	807,930		640,898	
		<u>1,396,987</u>		<u>1,194,698</u>	
Current assets					
Stocks	12	3,072,814		2,560,379	
Debtors	13	1,487,644		1,571,572	
Cash at bank and in hand		359,285		323,217	
		<u>4,919,743</u>		<u>4,455,168</u>	
Creditors: amounts falling due within one year	14	<u>(2,407,630)</u>		<u>(2,074,885)</u>	
Net current assets		<u>2,512,113</u>		<u>2,380,283</u>	
Total assets less current liabilities		<u>3,909,100</u>		<u>3,574,981</u>	
Creditors: amounts falling due after more than one year	15		-		(14,203)
Provisions for liabilities	18		<u>(261,315)</u>		<u>(293,620)</u>
Net assets			<u><u>3,647,785</u></u>		<u><u>3,267,158</u></u>
Capital and reserves					
Called up share capital	22	100,000		100,000	
Capital redemption reserve		60,000		60,000	
Profit and loss reserves	23	3,487,785		3,107,158	
Total equity		<u><u>3,647,785</u></u>		<u><u>3,267,158</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 18/8/16 and are signed on its behalf by:


 A J Picken
 Director

BCF TECHNOLOGY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2014	100,000	60,000	3,161,357	3,321,357
Period ended 31 December 2014:				
Loss and total comprehensive income for the year	-	-	(54,199)	(54,199)
Balance at 31 December 2014	100,000	60,000	3,107,158	3,267,158
Period ended 31 December 2015:				
Loss and total comprehensive income for the year	-	-	380,627	380,627
Balance at 31 December 2015	100,000	60,000	3,487,785	3,647,785

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

BCF Technology Limited is a private company limited by shares incorporated in Scotland. The registered office is Imaging House, Phoenix Crescent, Strathclyde Business Park, Bellshill, Lanarkshire, ML4 3NJ.

The company's principal activities are disclosed in the Directors' Report.

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 on the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements are the first financial statements of BCF Technology Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of BCF Technology Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP. The date of transition was 1 January 2014.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' - Disclosure of carrying amounts, interest income/expense and net gains/losses for each category of financial instrument.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of BCF Holdings Limited. The consolidated financial statements of BCF Holdings Limited are available from its registered office, Imaging House, Phoenix Crescent, Strathclyde Business Park, Bellshill, Lanarkshire, ML4 3NJ.

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.

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains right to consideration.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

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.

Amortisation 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:

Software	25% straight line
Development Costs	20% straight line

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:

Leasehold improvements	over the lease term
Plant and machinery	at varying rates on cost
Fixtures, fittings and equipment	33% on cost
Motor vehicles	25% on cost

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.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Stocks

Stocks are stated at the lower of cost and net realisable value on a FIFO basis. 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.

Cash and cash equivalents

Cash and cash equivalents 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.

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 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.

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Trade, other and inter-company debtors

Trade, other and inter-company debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade, other and inter-company debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade, other or inter-company debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade, other and inter-company debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade, other and inter-company debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately 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.

Bank loans and overdrafts

Bank loans and overdrafts are initially measured at transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised on the basis of the effective interest rate method and is included in interest payable and other similar charges.

Trade, other and inter-company creditors

Trade, other and inter-company creditors are payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the instrument with a trade, other and inter-company creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Derecognition of financial liabilities

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

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.

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement 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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Operating lease income

Operating leases are those assets leased to clients but where there is no transfer of the risks and rewards.

Fee income on operating lease agreements is credited to the profit and loss account on a straight line basis over the term of the lease.

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

2 Turnover and other revenue

	2015 £	2014 £
Turnover analysed by class of business		
Sale of products	12,136,817	10,356,449
Freight & carriage received	103,199	113,509
Commission received	2,135	1,639
Operating lease income	269,912	230,201
Management fee	-	91,103
	<u>12,512,063</u>	<u>10,792,901</u>

Other revenue

Interest income	172	615
Grants received	<u>51,633</u>	<u>30,362</u>

Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	6,585,076	5,248,112
Europe	2,400,532	2,410,335
United States of America	1,630,355	1,463,098
South America	85,247	97,439
Australia & New Zealand	695,028	479,898
Rest of the World	<u>1,115,825</u>	<u>1,094,019</u>
	<u>12,512,063</u>	<u>10,792,901</u>

3 Operating profit/(loss)

	2015 £	2014 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses/(gains)	40,554	25,593
Grants receivable and released	(51,633)	(30,362)
Depreciation of owned tangible fixed assets	187,288	160,208
Depreciation of tangible fixed assets held under finance leases	14,606	9,601
(Loss)/profit on disposal of tangible fixed assets	2,161	(500)
Amortisation of intangible assets	279,108	264,355
Cost of stocks recognised as an expense	6,844,426	5,670,945
Operating lease charges	<u>147,259</u>	<u>154,055</u>

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

4 Auditors' remuneration

	2015 £	2014 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	17,000	13,500
For other services		
Taxation compliance services	2,700	1,500
All other non-audit services	5,400	4,078
	8,100	5,578

The other non-audit services provided include accounts preparation assistance and IXBRL tagging.

5 Employees

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

	2015 Number	2014 Number
Sales & Marketing	22	20
Finance	5	5
Stores & Production	31	26
Administration	13	16
	71	67

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	2,763,210	2,633,354
Social security costs	306,497	306,791
Pension costs	150,750	117,469
	3,220,457	3,057,614

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

6 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	432,220	401,100
Company pension contributions to defined contribution schemes	35,523	41,480
	<u>467,743</u>	<u>442,580</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2014 - 3).

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

Remuneration for qualifying services	185,589	147,800
Company pension contributions to defined contribution schemes	16,250	19,900
	<u>185,589</u>	<u>147,800</u>

7 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	172	615
	<u>172</u>	<u>615</u>

8 Interest payable and similar charges

	2015 £	2014 £
Interest on finance leases and hire purchase contracts	1,039	1,377
	<u>1,039</u>	<u>1,377</u>

9 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	85,593	(12,982)
Adjustments in respect of prior periods	(7,242)	-
Total current tax	<u>78,351</u>	<u>(12,982)</u>
Deferred tax		
Origination and reversal of timing differences	81,326	25,221
Adjustment in respect of prior periods	(30,829)	-
Total deferred tax	<u>50,497</u>	<u>25,221</u>
Total tax charge	<u>128,848</u>	<u>12,239</u>

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

9 Taxation (Continued)

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2015 £	2014 £
Profit/(loss) before taxation	509,475	(41,960)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.25% (2014: 20.00%)	103,151	(8,392)
Tax effect of expenses that are not deductible in determining taxable profit	75,795	1,470
Tax effect of income not taxable in determining taxable profit	(1,537)	-
Adjustments in respect of prior years	(7,242)	(12,982)
Effect of change in corporation tax rate	(13,733)	(1,713)
Group relief	-	71
Research and development tax credit	-	(30,557)
Deferred tax adjustments in respect of prior years	(30,829)	-
Fixed asset differences	3,291	3,606
Marginal relief	(48)	-
Losses carried back	-	12,982
Transition adjustments	-	47,754
Tax expense for the year	128,848	12,239

10 Intangible fixed assets

	Software £	Development Costs £	Total £
Cost			
At 1 January 2015	107,337	1,394,536	1,501,873
Additions - separately acquired	22,311	292,054	314,365
At 31 December 2015	129,648	1,686,590	1,816,238
Amortisation and impairment			
At 1 January 2015	70,816	877,257	948,073
Amortisation charged for the year	13,407	265,701	279,108
At 31 December 2015	84,223	1,142,958	1,227,181
Carrying amount			
At 31 December 2015	45,425	543,632	589,057
At 31 December 2014	36,521	517,279	553,800

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

11 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2015	332,770	214,427	392,851	53,476	993,524
Additions	5,810	48,037	302,921	26,695	383,463
Disposals	-	(2,795)	(108,463)	(15,073)	(126,331)
At 31 December 2015	338,580	259,669	587,309	65,098	1,250,656
Depreciation and impairment					
At 1 January 2015	38,138	137,895	159,052	17,541	352,626
Depreciation charged in the year	32,448	40,071	113,827	15,548	201,894
Eliminated in respect of disposals	-	(1,106)	(106,606)	(4,082)	(111,794)
At 31 December 2015	70,586	176,860	166,273	29,007	442,726
Carrying amount					
At 31 December 2015	267,994	82,809	421,036	36,091	807,930
At 31 December 2014	294,632	76,532	233,799	35,935	640,898

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £14,606 (2014 - £9,601) for the year.

	2015 £	2014 £
Motor vehicles	36,091	24,003

12 Stocks

	2015 £	2014 £
Raw materials and consumables	888,096	698,710
Work in progress	-	57,726
Finished goods and goods for resale	2,184,718	1,803,943
	3,072,814	2,560,379

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

13 Debtors

	2015	2014
	£	£
Amounts falling due within one year:		
Trade debtors	1,410,974	1,180,155
Corporation tax recoverable	-	12,982
Amounts due from fellow group undertakings	-	230,224
Other debtors	5,758	81,326
Prepayments and accrued income	70,912	66,885
	<u>1,487,644</u>	<u>1,571,572</u>

14 Creditors: amounts falling due within one year

	Notes	2015	2014
		£	£
Bank loans and overdrafts	16	232,439	112,889
Obligations under finance leases		16,122	8,137
Trade creditors		838,952	1,002,322
Amounts due to group undertakings		161,596	173,925
Corporation tax		65,369	-
Other taxation and social security		211,438	95,057
Deferred income	20	607,079	531,135
Other creditors		54,728	13,913
Accruals and deferred income		219,907	137,507
		<u>2,407,630</u>	<u>2,074,885</u>

Included within creditors is a balance of £21,440 (2014: £nil) relating to outstanding pension contributions.

15 Creditors: amounts falling due after more than one year

	2015	2014
	£	£
Obligations under finance leases	-	14,203
	<u>-</u>	<u>14,203</u>

16 Borrowings

	2015	2014
	£	£
Bank overdrafts	232,439	112,889
	<u>232,439</u>	<u>112,889</u>
Payable within one year	232,439	112,889
	<u>232,439</u>	<u>112,889</u>

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

16 Borrowings (Continued)

Overdraft facilities are available from HSBC Bank plc and Bank of Scotland plc. These facilities are secured by a bond and floating charge over the assets of the group in favour of HSBC Bank plc and by a bond and floating charge over the assets of the group in favour of Bank of Scotland plc. The HSBC Bank plc bond and floating charge ranks in preference to that held by Bank of Scotland plc.

The total amount secured is £232,439 (2014: £112,889).

17 Finance lease and hire purchase contract commitments

Future minimum lease payments due under hire purchase contracts:

	2015 £	2014 £
Less than one year	16,122	8,137
Between one and five years	-	14,203
	<u>16,122</u>	<u>22,340</u>

18 Provisions for liabilities

	Notes	2015 £	2014 £
Guarantee provision		148,134	230,936
Deferred tax liabilities	19	113,181	62,684
		<u>261,315</u>	<u>293,620</u>

Movements on provisions apart from retirement benefits and deferred tax liabilities:

	Guarantee provision £
At 1 January 2015	230,936
Additional provisions in the year	47,198
Reversal of provision	(130,000)
At 31 December 2015	<u>148,134</u>

The guarantee provision represents the Company's liability in respect of warranty claims for goods sold with a guarantee. The amount provided represents management's best estimate of the future cash outflows in respect of those products still with the warranty period at year end. It is based on past experience of claims on each product line and it is monitored on a regular basis.

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £
Balances:		
Accelerated capital allowances	113,181	62,684
	<u>113,181</u>	<u>62,684</u>
Movements in the year:		2015 £
Liability at 1 January 2015		62,684
Charge to profit or loss		50,497
		<u>113,181</u>
Liability at 31 December 2015		<u>113,181</u>

20 Deferred income

	2015 £	2014 £
Arising from government grants	136,000	153,000
Other deferred income	471,079	378,135
	<u>607,079</u>	<u>531,135</u>

21 Retirement benefit schemes

Defined contribution schemes

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.

The charge to profit or loss in respect of defined contribution schemes was £150,750 (2014 - £117,469).

22 Share capital

	2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

The company has one class of ordinary shares which carry no right to fixed income and each carry the right to vote at general meetings.

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

23 Reserves

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss reserves

This represents the cumulative profit and loss net of distributions to shareholders.

24 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:

	2015 £	2014 £
Within one year	215,114	215,114
Between two and five years	549,028	711,707
In over five years	87,500	175,000
	<u>851,642</u>	<u>1,101,821</u>

Lessor

At the reporting end date the company had contracted with customers for the following minimum lease payments:

	2015 £	2014 £
Within one year	241,680	173,022
Between two and five years	469,641	223,779
	<u>711,321</u>	<u>396,801</u>

25 Controlling party

The ultimate parent undertaking of BCF Technology Limited is BCF Holdings Limited, a company registered in Scotland and controlled by A J Picken.

BCF Holdings Limited is the smallest and largest company for which consolidated accounts including BCF Technology Limited are prepared. The consolidated accounts of BCF Holdings Limited are available from its registered office, Imaging House, Phoenix Crescent, Strathclyde Business Park, Bellshill, Lanarkshire, ML4 3NJ.

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

26 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	1 January 2014 £	31 December 2014 £
Equity as reported under previous UK GAAP		3,280,496	3,451,338
Pre transition adjustments	a	(440,388)	(725,685)
As restated		2,840,108	2,725,653
Adjustments arising from transition to FRS 102:			
Capitalisation of development costs	b	481,249	517,279
Residual value of enable assets	c	-	24,226
Equity reported under FRS 102		3,321,357	3,267,158

Reconciliation of profit/ (loss)

	Notes	2014 £
Profit/ (loss) as reported under previous UK GAAP		170,842
Pre transition adjustments	a	(285,297)
As restated		(114,455)
Adjustments arising from transition to FRS 102:		
Capitalisation of development costs	b	36,030
Residual value of enable assets	c	24,226
Profit/ (loss) reported under FRS 102		(54,199)

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

26 Reconciliations on adoption of FRS 102 (Continued)

Reconciliation of equity

	Notes	At 1 January 2014				At 31 December 2014			
		Previous UK GAAP £	Pre transition adjustment £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Pre transition adjustment £	Effect of transition £	FRS 102 £
Fixed assets									
Other intangibles	b&c	-	-	481,249	481,249	-	-	553,800	553,800
Tangible assets	a,b&c	391,731	97,917	-	489,648	533,638	119,555	(12,295)	640,898
		391,731	97,917	481,249	970,897	533,638	119,555	541,505	1,194,698
Current assets									
Stocks	a	2,792,002	(440,388)	-	2,351,614	3,000,767	(440,388)	-	2,560,379
Debtors		2,050,960	-	-	2,050,960	1,571,572	-	-	1,571,572
Bank and cash		482,531	-	-	482,531	323,217	-	-	323,217
		5,325,493	(440,388)	-	4,885,105	4,895,556	(440,388)	-	4,455,168

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

26 Reconciliations on adoption of FRS 102

	At 1 January 2014			At 31 December 2014		
	Previous UK GAAP £	Pre transition adjustment £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Pre transition adjustment £
Creditors due within one year						
Borrowings	-	-	-	-	(112,889)	-
Finance leases	(8,624)	-	-	(8,624)	(8,137)	-
Taxation	(139,041)	-	-	(139,041)	(95,057)	-
Other creditors	(1,877,566)	-	-	(1,877,566)	(1,290,667)	(37,000)
Deferred income	-	(97,917)	-	(97,917)	(163,283)	(367,852)
	(2,025,231)	(97,917)	-	(2,123,148)	(1,670,033)	(404,852)
Net current assets	3,300,262	(538,305)	-	2,761,957	3,225,523	(845,240)
Total assets less current liabilities	3,691,993	(440,388)	481,249	3,732,854	3,759,161	(725,685)
Creditors due after one year						
Finance leases	(21,852)	-	-	(21,852)	(14,203)	-
Provisions for liabilities						
Deferred tax	(37,463)	-	-	(37,463)	(62,684)	-
Other provisions	(352,182)	-	-	(352,182)	(230,936)	-
	(389,645)	-	-	(389,645)	(293,620)	-
Net assets	3,280,496	(440,388)	481,249	3,321,357	3,451,338	(725,685)
						541,505
						3,267,158

(Continued)

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

26 Reconciliations on adoption of FRS 102

	At 1 January 2014				At 31 December 2014			
	Previous UK GAAP £	Pre transition adjustment £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Pre transition adjustment £	Effect of transition £	FRS 102 £
Capital and reserves								
Share capital	100,000	-	-	100,000	100,000	-	-	100,000
Capital redemption	60,000	-	-	60,000	60,000	-	-	60,000
Profit and loss	3,120,496	(440,388)	481,249	3,161,357	3,291,338	(725,685)	541,505	3,107,158
	a,b&c							(Continued)
Total equity	<u>3,280,496</u>	<u>(440,388)</u>	<u>481,249</u>	<u>3,321,357</u>	<u>3,451,338</u>	<u>(725,685)</u>	<u>541,505</u>	<u>3,267,158</u>

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Reconciliation of profit or loss for the year

	Notes	Year ended 31 December 2014			FRS 102 £
		Previous UK GAAP £	Pre transition adjustment £	Effect of transition £	
Turnover	a	10,888,198	(95,297)	-	10,792,901
Cost of sales	b	(5,841,857)	-	27,728	(5,814,129)
Gross profit		5,046,341	(95,297)	27,728	4,978,772
Administrative expenses	a,b&c	(5,027,908)	(75,952)	53,528	(5,050,332)
Other operating income	a&b	165,410	(114,048)	(21,000)	30,362
Operating profit/(loss)		183,843	(285,297)	60,256	(41,198)
Interest receivable and similar income		615	-	-	615
Interest payable and similar charges		(1,377)	-	-	(1,377)
Profit/(loss) before taxation		183,081	(285,297)	60,256	(41,960)
Taxation		(12,239)	-	-	(12,239)
for the financial period		170,842	(285,297)	60,256	(54,199)

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

26 Reconciliations on adoption of FRS 102 (Continued)

Notes to reconciliations on adoption of FRS 102

a) Correction of prior period errors

The following prior period errors have been identified and restated:

An amount of £95,297 for support income was included within the profit and loss account for the year ended 31 December 2014 but this income related to the next financial year. This has now been restated in the prior year accounts to show as deferred income.

Landlord contributions of £135,000 towards repairs to the property were set off against the tangible assets balance when received in the comparative and pre-comparative period. The remaining unamortised value of contributions of £119,555 has now been reclassified within creditors and is being released to the profit and loss account over the length of the lease.

The company had a lease incentive for the first two years of the lease of the property. This was originally accounted for as received but has now been restated to spread the incentive over the term of the lease. This has resulted in accruals in the prior year being restated and increased by £37,000.

Grant income of £170,000 towards improvements to the property was originally accounted for as received but this has now been restated to reflect the deferred income portion of the grant and £17,000 is now being released to the profit and loss account each year. This has resulted in deferred income increasing by £153,000 in the prior year.

On review of stock balances, management considered that some provision was required to more accurately reflect net realisable value. The prior year figures have been restated to reflect a decrease of £440,388 in the stock balance.

In the prior year, foreign exchange losses had been recognised within other operating income. This has now been reclassified and resulted in an increase of £25,590 in administrative expenses and a corresponding decrease in other operating income. This adjustment has no impact on reported profit or loss or equity reserves for the prior year.

b) Capitalisation of development costs previously expensed

The development expenditure previously incurred by the company now meets all of the criteria under FRS 102 to be recognised as an intangible asset. The company has therefore changed its accounting policy and is now capitalising development costs. For the year ended 31 December 2014, a total cost of £1,394,536 was capitalised and accumulated amortisation of £877,257 was recognised which resulted in a carrying value of £517,279 in relation to development costs on the balance sheet. Of this balance, £481,249 impacted the balance sheet at the date of transition. Overall, the profit and loss reserves increased by £517,279. The profit and loss account at 31 December 2014 increased by £36,030 as a result of expenses of £285,866 which were previously expensed now being capitalised and amortisation of £249,836 now being incorporated.

c) Incorporation of residual values of tangible assets

Under FRS 102, the directors have chosen to increase the carrying amount of fixture and fittings as a result of changes to the expected residual value of the enable assets included within this category. For the year ended 31 December 2014, this resulted in an increase of £24,226 in the carrying value of tangible assets. This amount was adjusted through the depreciation charge in the profit and loss account. Overall, the profit and loss reserves increased by £24,226 as a result of this transition adjustment.

BCF TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

26 Reconciliations on adoption of FRS 102 (Continued)

d) Reclassification of software costs as intangible assets

Under FRS 102, the directors have chosen to reclassify software costs as intangible assets that were previously recognised as tangible assets under previous UK GAAP. For the year ended 31 December 2014, this resulted in a reallocation of depreciation totalling £13,407 to amortisation and software costs capitalised as intangible assets had a carrying value of £36,521 which was reallocated from tangible assets. This adjustment has no impact on equity reserves or reported profit and loss for the prior year.