

Company Registration No. SC370971 (Scotland)

FASTENAL EUROPE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015

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FASTENAL EUROPE LIMITED

COMPANY INFORMATION

Directors	A Davidson D L Florness J M Watts
Secretary	Pinsent Masons Secretarial Limited
Company number	SC370971
Registered office	Unit M & N Glasgow Trade Park Glasgow G69 6GA
Auditors	RSM UK Audit LLP Chartered Accountants Davidson House Forbury Square Reading Berkshire RG1 3EU
Business address	Kingsway Park Dundee DD2 4TD

FASTENAL EUROPE 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

Fastenal Europe Limited has achieved another record breaking year for revenue growth in 2015, as it has had consistently done each year since its opening in 2010. For the year 2015, our company has posted revenues of 12,738,070 GBP, a 32.41% increase over 2014.

Our company had inventory levels of 5,095,297 GBP at the end of the financial year which was customer specific inventory stored throughout our nine stocking locations. This inventory is a 39.42% increase from the end of 2014, with most of the rise related to large projects that were starting in the first and second quarter of 2016.

Of the company's 2015 sales, 81.33% was from OEM fasteners supplied to manufacturers across the UK. This is down from 87.8% in 2014 and is attributed to selling more range of product into both new and existing customers.

Key Performance Indicators

Some of our key performance indicators include the following:

- Total revenue growth of >25% per annum continuously
- Having quality PPM¹ <1000
- Having customer on-time delivery >98%
- Maintaining inventory turns >3 turns per year

Future Outlook

We expect the next year to bring slower growth due to the industrial economy. Our growth goals of >25% have been reduced by half to >12.5%. We anticipate commodities rising through the next year, which will help see a rise within the industrial market that we serve. Going past 2016, the expectation is the growth rates will rise back upward to >25%. The growth will be a result of taking market share in the OEM fastener market along with continuing to develop our non-fastener product lines to be supplied into the vast industrial market.

In 2016, we will be growing the sales team, as well as, continuing to open branches in strategic locations throughout the UK to provide better service to our customers. We will also be opening more Onsite² locations to provide as much daily service to our customers as possible.

Principal & Financial Risks

We have seen most of our customers start to shrink at the end of 2015. The expectation is that this will continue through 2016, damaging our historical sales through our long-term customers. We have also seen that some of our larger customers will be planning on closing their UK divisions to move their production elsewhere.

The EU referendum has created turmoil in the market. Rising commodities and a lower value of the Sterling creates a difficult situation to recoup gross margin.

The fastener market is undergoing an EU surveillance program, with the possibility of another anti-dumping investigation being launched in 2016. Depending on the outcome, this could result in additional tariffs and fines from importing.

On behalf of the board



D L Florness

Director

28/9/16

¹ PPM refers to parts per million.

² Onsite is defined as a Fastenal team member executing sales and services from within the customer's facility.

FASTENAL EUROPE 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 the wholesale of hardware, plumbing and heating equipment and supplies.

Directors

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

A Davidson

D L Florness

J M Watts – appointed 1 April 2015

Results and dividends

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

Auditor

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual 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



D L Florness

Director

28/9/16

FASTENAL EUROPE 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 FASTENAL EUROPE LIMITED

We have audited the financial statements on pages 5 to 17. 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.

RSM UK Audit LLP

Mayulee Pinkerton, Senior Statutory Auditor
For and on behalf of

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants

Davidson House

Forbury Square

Reading

Berkshire

RG1 3EU

Date **29/09/2016**

FASTENAL EUROPE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	2	12,738,070	9,620,020
Cost of sales		(8,458,925)	(6,460,630)
Gross profit		4,279,145	3,159,390
Distribution costs		(450,293)	(283,823)
Administrative expenses		(3,138,356)	(2,556,510)
Operating profit	3	690,496	319,057
Interest receivable and similar income	6	959	916
Profit on ordinary activities before taxation		691,455	319,973
Taxation	7	(135,367)	84,585
Profit on ordinary activities after taxation		556,088	404,558
Total comprehensive income for the year		556,088	404,558

FASTENAL EUROPE LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2015**

	Notes	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	8		457,769		300,582
Current assets					
Stocks	9	5,095,297		3,654,509	
Debtors	10	3,887,869		5,346,251	
Cash at bank and in hand		859,417		405,160	
		9,842,583		9,405,920	
Creditors: amounts falling due within one year	11	(9,757,331)		(9,383,422)	
Net current assets			85,252		22,498
Total assets less current liabilities			543,021		323,080
Provisions for liabilities	13		(48,853)		(385,000)
Net assets/(liabilities)			494,168		(61,920)
Capital and reserves					
Called up share capital	14		275,000		275,000
Profit and loss account	15		219,168		(336,920)
Total equity			494,168		(61,920)

The financial statements were approved by the board of directors and authorised for issue on 28/09/16 and are signed on its behalf by:



D L Florness
Director

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

	Share capital £	Profit and loss account £	Total £
Balance at 1 January 2014	275,000	(741,478)	(466,478)
Year ended 31 December 2014:			
Profit and total comprehensive income for the year	-	404,558	404,558
Balance at 31 December 2014	275,000	(336,920)	(61,920)
Year ended 31 December 2015:			
Profit and total comprehensive income for the year	-	556,088	556,088
Balance at 31 December 2015	275,000	219,168	494,168

FASTENAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Fastenal Europe Limited is a company limited by shares incorporated in Scotland. The registered office is Unit M & N, Glasgow Trade Park, Glasgow, G69 6GA.

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 £1.

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

Transition to FRS 102

These financial statements are the first financial statements of Fastenal Europe Limited prepared in accordance with FRS 102. The financial statements of Fastenal Europe Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

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'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS102.

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' & Section 12 'Other Financial Instrument Issues' – Carrying amount, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share-based Payment' – Reconciliation of number and weight average exercise price of share options outstanding at the beginning and end of the period, measurement of the fair value of goods/services, measurement of cash settled share-based payment liabilities, expense for the period and carrying amount at the end of the period;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

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.

FASTENAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Turnover

The turnover shown in the statement of comprehensive income represents the value of all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

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:

Plant and machinery

2 – 7 years straight line

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

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

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

FASTENAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

FASTENAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Other financial liabilities

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

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.

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 have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non discounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

FASTENAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

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.

Employee benefits

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

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

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

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to an expense 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.

Foreign exchange

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

2 Turnover and other revenue

Turnover generated by the company relates wholly to its principal activity.

Turnover analysed by geographical market

	2015 £	2014 £
UK	12,311,845	9,244,078
Overseas	426,225	375,942
	<u>12,738,070</u>	<u>9,620,020</u>

FASTENAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

3 Operating profit

	2015 £	2014 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	236,194	(1,828)
Fees payable to the company's auditors for the audit of the company's financial statements	8,250	6,000
Depreciation of owned tangible fixed assets	77,268	49,734
Cost of stocks recognised as an expense	8,458,925	6,460,630
Operating lease charges	316,064	301,284
	<u> </u>	<u> </u>

4 Employees

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

	2015 Number	2014 Number
Sales	44	35
Administration	2	1
Office and Clerical	-	2
Information Technology	1	-
Expats	3	2
	<u> </u>	<u> </u>
	50	40
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	1,450,509	1,153,469
Social security costs	235,340	132,632
	<u> </u>	<u> </u>
	1,685,849	1,286,101
	<u> </u>	<u> </u>

5 Directors' remuneration

The Directors did not receive any remuneration in respect of services provided to this company.

FASTENAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

6 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	959	916

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	959	916
--	-----	-----

7 Taxation

	2015 £	2014 £
Current Tax		
UK corporation tax	1,929	-
Total current tax	1,929	-
Origination and reversal of timing differences	133,438	(84,585)
Total tax on profit on ordinary activities	135,367	(84,585)

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

	2015 £	2014 £
Profit before taxation	691,455	319,973
Expected tax charge based on the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%)	139,996	68,772
Fixed asset differences	582	-
Adjustments to tax charge in respect of previous periods	1,929	-
Adjust closing deferred tax to average rate of 20.25%	(6,097)	6,302
Adjust opening deferred tax to average rate of 20.25%	(1,043)	(11,069)
Deferred tax not recognised	-	(148,590)
Tax expense for the year	135,367	(84,585)

FASTENAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

8 Tangible fixed assets

Cost

At 1 January 2015

Additions

At 31 December 2015

Depreciation

At 1 January 2015

Charge for the year

At 31 December 2015

Net book value

At 31 December 2015

At 31 December 2014

Plant and machinery etc.
£

444,501

234,455

678,956

143,919

77,268

221,187

457,769

300,582

9 Stocks

2015

£

2014

£

Finished goods and goods for resale

5,095,297

3,654,509

10 Debtors

2015

£

2014

£

Amounts falling due within one year:

Trade debtors

3,451,629

2,981,868

Amounts due from fellow group undertakings

358,920

2,183,130

Other debtors

77,320

96,668

3,887,869

5,261,666

Deferred tax asset (note 13)

-

84,585

3,887,869

5,346,251

11 Creditors: amounts falling due within one year

2015

£

2014

£

Trade creditors

792,616

371,253

Amounts due to group undertakings

8,162,058

7,978,201

Other taxation and social security

237,967

86,728

Other creditors

564,690

947,240

9,757,331

9,383,422

FASTENAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

12 Financial instruments

	2015 £	2014 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,887,869	5,261,666
Carrying amount of financial liabilities		
Measured at amortised cost	9,519,364	9,296,694

13 Provisions for liabilities

	Deferred tax liability/(asset) £	Legal fees £	Total £
Balance as at 1 January 2015	(84,585)	385,000	300,415
Provisions utilised	-	(385,000)	(385,000)
Profit & Loss account	133,438	-	133,438
Balance as at 31 December 2015	48,853	-	48,853

A provision of £nil (2014 - £385,000) was recognised for expected legal fees.

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:

	Asset/ (Liability) 2015 £	Asset/ (Liability) 2014 £
Balances:		
Accelerated Capital Allowances	(70,004)	(48,580)
Tax losses	21,151	133,165
	(48,853)	84,585

14 Share capital

	2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
275,000 Ordinary shares of £1 each	275,000	275,000

The company's ordinary shares carry the right to receive dividends and carry voting rights at one vote per share.

FASTENAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

15 Reserves

Reserves of the company represent the following:

Cumulative profit and loss net of distributions to owners

16 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	210,898	43,436
Between two and five years	232,747	130,084
	<u>443,646</u>	<u>173,520</u>

17 Related party transactions

In accordance with FRS 102, the company has taken the exemption under Section 33-1A from the requirement to disclose transactions with group companies on the grounds that the company is a wholly owned subsidiary.

18 Controlling party

The directors regard Fastenal Netherlands Holdings Company, a company registered in the Netherlands, to be the immediate parent undertaking.

The directors also regard Fastenal Company, a company registered in the United States of America, as the ultimate parent company and the largest and smallest group for which consolidated financial statements, which include Fastenal Europe Limited, are prepared.

A copy of the consolidated financial statements of Fastenal Company can be obtained from 2001 Theurer Boulevard, Winona, Minnesota, 55987, USA.

The directors consider there to be no ultimate controlling party.