

Registered Number SC475916

A G CONCEPTS LIMITED
CONSOLIDATED REPORT
AND FINANCIAL STATEMENTS
31 DECEMBER 2016

WEDNESDAY



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COMPANIES HOUSE

JOHN KERR & COMPANY
CHARTERED ACCOUNTANTS

CONSOLIDATED REPORT AND ACCOUNTS

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COMPANY INFORMATION

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Directors

Mr A Brese

Mr G Ross

Auditors

John Kerr & Company

32a Hamilton Street

Saltcoats

Ayrshire

KA21 5DS

Bankers

Royal Bank of Scotland Plc

Sandgate

Ayr

KA7

Registered Office

32a Hamilton Street

Saltcoats

Ayrshire

KA21 5DS

Registered Number

SC475916

DIRECTORS' REPORT

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

Principal Activities

The principal activity of the group during the year continued to be precision engineering and investment casting by the lost wax process.

Future Developments

The Group plans to build on the solid performance of 2016 and grow our presence in our core markets: automotive; aerospace; transport. We are also anticipating growth in oil & gas related business as that sector begins to recover following significant restructuring over the last 5 years – this is a market that we have traditionally supported across the UK. Broadening our portfolio of sectors and clients is a key objective for the next 12 months.

Research and Development

Innovation is at the heart of all Group activities as we strive to keep pace with the ever-changing needs of our client base. We have invested across both trading businesses in the group in new equipment, materials and processes to improve performance and drive efficiencies allowing us to deliver cost-effective services.

We are equally proud of our quality standards, supported by independent accreditations, our Health & Safety record and Environmental Compliance.

Financial instrument risk

The board reviews regularly the financial requirements of the Group and associated risks. The group does not use complicated financial instruments nor does it trade in financial instruments. Operations are financed primarily from retained earnings, bank borrowings and conventional loans. In addition to the primary financial statements, the group also has other financial instruments such as debtors, prepayments, trade creditors and accruals that arise directly from the Group's operations.

Event Since Balance Sheet Date

There have been no events since the balance sheet date which require to be reflected in these accounts.

Directors

The directors during the period under review were:

Mr A Brese

Mr G Ross

DIRECTORS' REPORT

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Directors Responsibilities

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 16 June 2017 and signed by its order



G Ross
Secretary

STRATEGIC REPORT

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2016 was a year of consolidation and investment for AG Concepts. In our first full year under the existing owners, 13% revenue growth was considered an acceptable result and a strong validation of our renewed focus on delivering high quality products and services to a blue-chip, international client base, many of which have been customers for many years. Our relationship with Cummins both in the UK and internationally both directly and through its Tier 1 suppliers, has been a key significant factor in achieving that growth.

AG Concepts owns the only remaining investment foundry in Scotland, together with a leading precision engineering operation that has capabilities unmatched across Europe within key niche markets. The group possesses a unique ability to provide a complete service from initial product concept and design through prototyping, manufacturing & engineering. Our experience goes far beyond our core markets and we will look to build on this by broadening the sectors we support and the clients we serve throughout 2017.

We will continue the programme of investment that has been ongoing for several years to ensure we build capacity to support growth whilst also maintaining our exceptional quality standards, driven both by internal desire to deliver world-class engineering solutions and externally by exacting quality standards demanded by the automotive and aerospace industries and evidenced by our ISO/TS 16949:2009, AS9100C and ISO 9001:2008 accreditations.

We are fortunate to have good people in every area of our business. In a competitive labour market, we have been able to attract and retain talent which is testament to our apprenticeship scheme, intensive training and the offer of a challenging and varied portfolio of work. We anticipate that headcount will grow further in 2017 in all disciplines.

We re-financed the business towards the end of 2016. This was part of the overall strategy to move the group forward and ensure that we have the investment and working capital at our disposal to deliver our plan. Further strategic investment is scheduled to take place in the course of the next 12 months.

Like every other business in the UK, AG Concepts is not immune to the challenges raised by political change, Brexit, low oil prices and general economic uncertainty. These macroeconomic factors have resulted in some of our clients taking a more cautious investment strategy, however on the other hand, we have benefitted from currency fluctuations that have made our products more competitive in certain key overseas markets. We continuously monitor our clients' performance and market conditions to ensure we provide a relevant, cost effective and efficient service.

This report was approved by the board on 16 June 2017



G Ross
Secretary

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AG CONCEPTS LIMITED**

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We have audited the consolidated financial statements of AG Concepts Limited for the period to 31 December 2016 which comprise the Consolidated Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement Changed in Equity, the Statement of Cash Flows, Company Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and the 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 auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and international Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate

Opinion on the accounts

In our opinion the accounts:-

- give a true and fair view of the state of the group and of the company's affairs as at 31 December 2016 and of the Group profit for the period then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

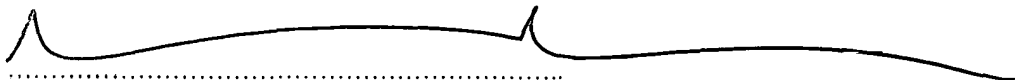
Opinion on other matters prescribed by the Companies House Act 2006

In our opinion the information given in the Directors report and the Strategic 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



John Kerr (Senior Statutory Auditor)

For and on behalf of

John Kerr & Company CA
Accounts and Statutory Auditors

19 June 2017

32a Hamilton Street
Saltcoats, Ayrshire, KA21 5DS

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

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	<u>Notes</u>	<u>2016</u> £	<u>2015</u> £
<u>Turnover</u>		6,989,789	6,158,155
<u>Cost of Sales</u>		(5,266,774)	(4,359,957)
<u>Gross Profit</u>		1,723,015	1,798,198
Distribution Costs		(15,846)	(8,054)
Administrative Expenses		(1,351,381)	(1,184,979)
Other Operating Income		53,160	66,120
<u>Operating Profit</u>		408,948	671,285
Interest Receivable		236	443
Interest Payable	5	(70,825)	(41,428)
<u>Profit on ordinary activities before taxation</u>		338,359	630,300
Tax on profit on ordinary activities	6	3,978	(206,125)
<u>Profit for the financial Period</u>		342,337	424,175

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2016

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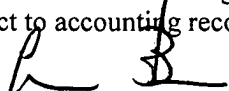
	<u>Notes</u>	<u>2016</u> £	<u>2015</u> £
Profit for the financial year		342,337	424,175
Other comprehensive expenditure			
Deficit on revaluation of plant		(332,175)	-
		<hr/>	<hr/>
Total comprehensive income for the year		<u>10,162</u> =====	<u>424,175</u> =====

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

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	Notes	2016	2015
	£	£	£
<u>Fixed assets</u>			
Tangible assets	7	2,204,592	2,567,525
<u>Current assets</u>			
Stocks	8	620,274	408,508
Debtors	9	1,884,109	1,751,844
Cash at bank and in hand		213,129	210,972
		2,717,512	2,340,453
<u>Creditors: amounts falling due Within one Period</u>	10	(2,550,934)	1,801,646
<u>Net current assets</u>		166,578	569,678
<u>Total assets less current liabilities</u>		2,371,170	3,137,203
<u>Creditors: amounts falling due After more than one Period</u>	11	(1,125,882)	(1,898,119)
Provisions for liabilities			
Deferred taxation	14	(217,248)	(217,248)
<u>Net assets</u>		1,028,020	1,021,836
<u>Capital and reserves</u>			
Called up share capital	15	10,000	10,000
Profit and loss account	17	587,661	349,031
Goodwill Reserve	16	434,337	424,175
Shareholders' funds		1,031,998	1,021,836

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.



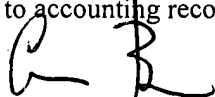
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A Brese
Director
16 June 2017

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

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	Notes	2016	2015
		£	£
<u>Fixed assets</u>			
Investments	21	2,600,000	2,600,000
<u>Current assets</u>			
Debtors	23	19,438	12,465
Cash at bank and in hand		-	32,972
		19,438	45,437
<u>Creditors: amounts falling due</u>			
<u>Within one period</u>	24	2,098,702	(1,530,273)
<u>Net current assets</u>		(2,079,264)	(1,484,836)
<u>Total assets less current liabilities</u>		520,736	1,115,164
<u>Creditors: amounts falling due</u>			
<u>After more than one period</u>	25	716,000	(1,250,001)
<u>Net liabilities/assets</u>		(195,264)	(134,837)
<u>Capital and reserves</u>			
Called up share capital	26	10,000	10,000
Profit and loss account	27	(205,264)	(144,837)
<u>Shareholders' funds</u>		(195,264)	(134,837)

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.



A Brese
Director
16 June 2017

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER**

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	Share Capital £	Other Reserves £	Profit and Loss Account £	Total £
At 17 March 2015	-	-	-	-
Profit for the period	-	-	424,175	424,175
Negative goodwill	-	587,661	-	587,661
Other comprehensive income for financial year	-	587,661	-	587,661
Total comprehensive income for the financial year	-	587,661	424,175	1,011,836
Shares issued	10,000	-	-	10,000
As at 31 December 2015	10,000	587,661	424,175	1,021,836
At 1 January 2016	10,000	587,661	424,175	1,021,836
Profit for the financial year	-	-	10,162	10,162
At 31 December 2016	10,000	587,661	434,337	1,031,998

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

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	<u>Notes</u>	<u>2016</u> £	<u>2015</u> £
Operating activities			
Profit for the financial year		10,162	424,175
Adjustments for:			
Loss on revaluation of investment property		332,175	-
Tax on profit on ordinary activities		3,978	206,125
Deprecation and loss on disposal		155,568	186,481
Increase in stocks		(211,766)	(408,508)
Increase in debtors		(132,265)	(1,751,844)
Increase in creditors		37,069	1,543,347
		<u>194,921</u>	<u>199,776</u>
Cash generated by operating activities		<u>194,921</u>	<u>199,776</u>
Investing activities			
Payment to acquire tangible fixed assets		(124,810)	(1,737,029)
Funds received		734,817	1,340,001
		<u>611,007</u>	<u>(397,028)</u>
Cash generated by investing activities		<u>611,007</u>	<u>(397,028)</u>
Financing activities			
Repayment of loans		750,001	(150,000)
Capital element of finance lease payments		576,251	(288,473)
		<u>1,326,252</u>	<u>(438,473)</u>
Cash used in financing activities		<u>1,326,252</u>	<u>(438,473)</u>

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

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	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		£	£
Net cash generated			
Cash generated by operating activities		194,921	199,776
Cash generated by investing activities		611,007	(397,028)
Cash used in financing activities		(1,326,252)	(438,473)
		<hr/>	<hr/>
Net cash generated		(520,324)	(635,725)
Cash and cash equivalents at 1 January		200,239	435,486
		<hr/>	<hr/>
Cash and cash equivalents at 31 December		(320,085)	200,239
		<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents comprise			
Cash at bank		213,129	210,972
Bank overdrafts		(533,214)	(10,733)
		<hr/>	<hr/>
		(320,085)	200,239
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

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1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

No prior year adjustments are required in the transitional period.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and valued added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation for any accumulative impairment losses.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	no charge, assets held at current values
Tenant's improvements	over the lease term
Plant and machinery and vehicles	10% to 25% reducing balance

Investments

Investments in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses. Listed investments are measured at fair value. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the profit and loss account.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

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Debtors

Short term debtors are measured at transaction price which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liability are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the costing rate of exchange. Non-monetary items that are measured at historical costs are translated at the rate ruling at the date of the transaction. All differences are charged to the profit and loss.

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

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Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payment. Minimum lease payments are apportioned between the finance charges and the reduction in the outstanding liabilities using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expenses in the period to which they relate.

2	<u>Analysis of turnover</u>	<u>2016</u>	<u>2015</u>
		£	£
	Sale of goods	6,989,789	6,158,155
		<hr/>	<hr/>
	By geographical market:		
	UK	6,989,789	6,158,155
		<hr/>	<hr/>
3	<u>Operating Profit</u>	<u>2016</u>	<u>2015</u>
		£	£
	This is stated after charging:		
	Depreciation of owned assets	51,822	48,601
	Depreciation of assets held under finance leases and hire		
	Purchase contracts	103,746	111,630
	Auditors' remuneration for audit services	6,500	6,000
	Auditors' remuneration for other services	2,400	3,600
	Key management personnel compensation		
	(Including directors' emoluments)	210,000	200,000
	Carrying amount of stock sold	5,266,774	4,359,957
		<hr/>	<hr/>

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

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4	<u>Directors' emoluments</u>	<u>2016</u> £	<u>2015</u> £
	Emoluments	210,000	200,000
	Highest paid director: Emoluments	105,000	100,000
	Number of directors to whom retirement benefits accrued:	<u>2016</u> Number	<u>2015</u> Number
	Defined contribution plans	2	2
5	<u>Interest payable</u>	<u>2016</u> £	<u>2015</u> £
	Bank loans and overdrafts	70,825	41,268
6	<u>Taxation</u>	<u>2016</u> £	<u>2015</u> £
	Analysis of charge in period		
	Current tax:		
	UK corporation tax on profits in the period	35,890	(11,123)
	Deferred tax:		
	Origination and reversal of timing differences	(39,868)	217,248
	Tax on ordinary activities	(39,898)	206,125

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

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Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	<u>2016</u> £	<u>2015</u> £
Profit on ordinary activities before tax	10,162	630,300
	—————	—————
Standard rate of corporation tax in the UK	20% £	20% £
Profit on ordinary activities multiplied by the standard rate of corporation tax	1,237	126,060
Effects of:		
Expenses tax charge for period	(1,237)	(137,183)
	—————	—————
Current tax charge for period	- =====	(11,123) =====

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

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7 Tangible fixed assets

	<u>Freehold Land & Buildings</u> £	<u>Plant, machinery & Motor Vehicles</u> £	<u>Total</u> £
<u>Cost or valuation</u>			
At 1 January 2016	303,860	5,534,568	5,838,428
Additions	17,983	106,827	124,810
Revaluation	-	(1,256,274)	(1,256,274)
As at 31 December 2016	321,843	4,385,121	4,706,964
<u>Depreciation</u>			
At 1 January 2016	-	3,270,903	3,270,903
Charge for the year	4,496	151,072	155,568
Revaluation	-	(924,099)	(924,099)
As at 31 December 2016	4,496	2,497,876	2,502,372
<u>Net Book Value</u>			
As at 31 December 2016	317,347	1,887,245	2,204,592
As at 31 December 2015	303,860	2,263,665	2,567,525
Carrying value of plant and machinery included above held finance leases and hire purchase contracts		<u>2016</u> 859,438	<u>2015</u> 930,250

During the year several items of plant were refinanced. This gave rise to a reduction in their value of £332,775.

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

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8	<u>Stocks</u>	<u>2016</u> £	<u>2015</u> £
	Raw materials, work in progress and finished goods	620,274	408,508
9	<u>Debtors</u>	<u>2016</u> £	<u>2015</u> £
	Trade debtors	1,681,792	1,682,093
	Other debtors	202,317	69,751
		<u>1,884,109</u>	<u>1,751,844</u>
10	<u>Creditors: amounts falling due within one year</u>	<u>2016</u> £	<u>2015</u> £
	Corporation tax	35,890	-
	Bank overdrafts	533,214	10,733
	Bank loans	54,000	-
	Obligations under finance lease and hire purchase contracts	232,208	247,566
	Trade creditors	1,391,086	1,287,490
	Other taxes and social security costs	95,910	114,452
	Other creditors	244,536	141,405
		<u>2,586,824</u>	<u>1,801,646</u>
11	<u>Creditors: amounts falling due after one year</u>	<u>2016</u> £	<u>2015</u> £
	Bank Loans	216,000	750,001
	Obligations under finance lease and hire purchase contracts	286,052	381,128
	Other creditors	500,000	590,000
	Accruals and deferred income	123,830	176,990
		<u>1,125,882</u>	<u>1,898,119</u>

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

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12	<u>Loans</u>		<u>2016</u> £	<u>2015</u> £
	Analysis of maturity of debt:			
	Within one year or on demand		819,422	258,299
	Between one and two years		1,002,000	1,721,129
			<u>1,821,422</u>	<u>1,979,428</u>
13	<u>Obligations under finance leases and hire purchase contracts</u>		<u>2016</u> £	<u>2015</u> £
	Amounts payable:			
	Within one year		232,208	247,566
	Within two to five years		286,052	381,128
			<u>518,260</u>	<u>628,694</u>
14	<u>Deferred taxation</u>		<u>2016</u> £	<u>2015</u> £
	Accelerated capital allowances		<u>177,380</u>	<u>217,248</u>
	At 31 December 2015		217,248	-
	Charged to the profit and loss account		<u>(39,868)</u>	<u>217,248</u>
	At 31 December 2016		<u>177,380</u>	<u>217,248</u>
15	<u>Share Capital</u>	Nominal Value	2016 Number	2016 £
	Allotted, called up and fully paid:			2015 £
	Ordinary shares	£1 each	10,000	10,000

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

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16	<u>Other reserves</u>	<u>2016</u>	<u>2015</u>
		£	£
	Negative goodwill		
	At 1 January	587,661	-
	Movement in year	-	587,661
		<hr/>	<hr/>
	At 31 December	587,661	587,661
		<hr/>	<hr/>

This negative goodwill arose on the acquisition of the trading subsidiaries.

17	<u>Profit and loss account</u>	<u>2016</u>	<u>2015</u>
		£	£
	At 1 January	424,175	-
	Profit for the financial year	10,162	424,175
		<hr/>	<hr/>
	At 31 December	434,337	424,175
		<hr/>	<hr/>

- 18 Presentation currency
The financial statements are presented in sterling.

- 19 Legal form of entity and country of incorporation
AG Concepts Limited is a private company limited by shares and incorporated in Scotland.

- 20 Principal place of business

The address of the company's principal place of business and registered office is:

Building 10, Spirit AeroSystems, Prestwick International Airport, Prestwick KA9 2RW

21	<u>Investments</u>	<u>Investments in subsidiary undertakings</u>
		£
	At 31 December 2015 and 31 December 2016	2,600,000
		<hr/>

The company holds 100% of the share capital of the following companies:

<u>Company Name</u>	<u>Country of Incorporation</u>	<u>Shares Held Class</u>	<u>%</u>
Glen Foundry Limited	England and Wales	Ordinary	100
Precision Tooling Services Limited	Scotland	Ordinary	100

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

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22	<u>Reconciliation on adoption of FRS102</u>	£	
	Profit and loss for the year ended 31 December 2015		
	Profit under former UK GAAP	424,175	
		<hr/>	
	Profit under FRS 102	424,175	
		<hr/>	
	Balance sheet at 31 December 2015		
	Equity under former UK GAAP	1,021,836	
	Equity under FRS 102	1,021,836	
		<hr/>	
	Balance sheet at 17 March 2015	£	
	Equity under former UK GAAP	-	
		<hr/>	
	Equity under FRS 102	-	
		<hr/> <hr/>	
23	<u>Debtors</u>	<u>2016</u>	<u>2015</u>
		£	£
	Other debtors	19,438	12,465
		<hr/>	<hr/>
24	<u>Creditors: amount falling due within one year</u>	<u>2016</u>	<u>2015</u>
		£	£
	Bank Loan	54,050	-
	Trade Creditors	1,500	5,190
	Amounts owned to group undertakings in which the company has a participating interest	2,000,660	1,435,083
	Other creditors	40,000	90,000
	Bank overdraft	2,542	-
		<hr/>	<hr/>
		2,098,702	1,530,273
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

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25	<u>Creditors: amount falling due after one year</u>	<u>2016</u>	<u>2015</u>
		£	£
	Bank Loans	216,000	750,001
	Other Creditors	500,000	500,000
		<hr/>	<hr/>
		716,000	1,250,001
		<hr/>	<hr/>
26	<u>Share Capital</u>	<u>Nominal</u> <u>Value</u>	<u>Number</u>
		<u>2016</u>	<u>2015</u>
		£	£
	Allotted, called up and full paid Ordinary shares	£1	10,000
		10,000	10,000
		<hr/>	<hr/>
27	<u>Profit and Loss Account</u>	<u>2016</u>	
		£	
	At 31 December 2015	(144,837)	
	Loss for the year	(60,427)	
		<hr/>	
	At 31 December 2016	(205,264)	
		<hr/>	

28 Related Parties

All balances due to or from the holding company or subsidiaries are current and bear no interest. All trading balances are on normal market terms.