

FIBA TECH INDUSTRIES LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015



FIBA TECH INDUSTRIES LIMITED

COMPANY INFORMATION

Director	Mr Neil Smallwood
Company secretary	Mrs Karen Celia Smallwood
Registered number	03088819
Registered office	Little Fountains Dulcote Wells Somerset BA5 3NU
Independent auditors	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

FIBA TECH INDUSTRIES LIMITED

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FIBA TECH INDUSTRIES LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Business review

The financial year to 31 December 2015 was another successful year with consolidated profits before tax of £1.9m on sales of £13.3m. In large part this performance reflects the strong trading in FTI Korea busy with projects for BP (Clair Ridge and Quad 204) and Shell (Prelude).

During 2015 the oil price halved from over 100US\$ per barrel to less than 50US\$ by year end. This is expected to affect the level of activity for oil and gas exploration and development in the future. Having a good portfolio of projects for 2016/7 helps to protect the Group from the worst of the effects of the oil price devaluation.

At the same time steps have been taken to diversify into other markets including mass transit. This is being achieved by marketing our existing range and developing a new range of products. In particular we have successfully developed a range of products based on a phenolic resin which is specified for its outstanding fire, smoke and toxicity qualities. Although the resins are not new FTI are sole licensee's to a patent which makes processing these resins much easier and faster.

Group net assets stand at £3.6m and net current assets are £2.3m.

Principal risks and uncertainties

Currency risk:

Currency risk is the risk that the value of the financial instrument will fluctuate due to changes in foreign exchange rates. The Group reviews periodically foreign currencies to ensure that net exposure is kept at an acceptable level.

Liquidity risk:

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

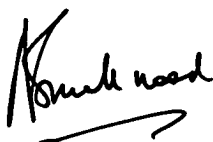
Credit risk:

The carrying amount of cash and cash equivalents, trade and other debtors represent the company's maximum exposure to credit risk in relation to financial assets. Debt factoring is used.

Financial key performance indicators

Key financial performance indicators being gross and net profit reflect the fact that the results for the subsidiaries have been reflected in the consolidated statements for 2015.

This report was approved by the board on 28 October 2016 and signed on its behalf.



Mr Neil Smallwood
Director

FIBA TECH INDUSTRIES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents his report and the financial statements for the year ended 31 December 2015.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £1,508,807 (2014: £869,604). No dividend is proposed.

Director

The director who served during the year was:

Mr Neil Smallwood

Future developments and research and development

The Group wishes to continue its growth as described in the Strategic report. For 2016 the business has a large FibaShield order from contractors to Petronas for their RAPID project in Malaysia and Korea will continue to be busy for Prelude and Ichthys.

The Group wishes to continue its product development activities. During the year, £220,370 of relevant expenditure was capitalised and an amortisation charge of £141,396 went through the statement of comprehensive income.

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

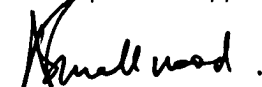
Post balance sheet events

As part of the company's renegotiation with the other shareholders of its Korean subsidiary, the company reduced its shareholding in FTI Korea from 75% to 60% during 2016 for no consideration.

Auditors

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Mr Neil Smallwood

Director

Date: 28 October 2016

Little Fountains
Dulcote
Wells
Somerset
BA5 3NU

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The director is responsible for preparing the Group strategic report, the Director's report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The director is 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 the Group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FIBA TECH INDUSTRIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FIBA TECH INDUSTRIES LIMITED (CONTINUED)

We have audited the financial statements of the individual company, Fiba Tech Industries Limited, for the year ended 31 December 2015, set out on pages 6 and 7 and in the notes to the accounts on pages 8 to 19. 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 Financial Reporting Standard 102 '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 Auditors' 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 Director's responsibilities statement on page 3, the director is 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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;
- 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.

FIBA TECH INDUSTRIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FIBA TECH INDUSTRIES LIMITED (CONTINUED)

OTHER MATTERS

The comparative figures within these financial statements have not been audited, as the Company took advantage of the exemption under s477 of the Companies Act 2006 for the year ended 31 December 2014.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with those accounts.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Tim Borton FCA DChA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date: 28 October 2016

FIBA TECH INDUSTRIES LIMITED
REGISTERED NUMBER:03088819

COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	4		447,478		368,504
Tangible assets	5		1,162,193		632,446
Investments	6		261,702		252,000
			1,871,373		1,252,950
Current assets					
Stocks	7	878,957		338,932	
Debtors: amounts falling due within one year	8	2,520,124		1,705,461	
Cash at bank and in hand	9	39,413		261,936	
		3,438,494		2,306,329	
Creditors: amounts falling due within one year	10	(2,374,899)		(1,298,389)	
Net current assets			1,063,595		1,007,940
Total assets less current liabilities			2,934,968		2,260,890
Creditors: amounts falling due after more than one year	11		(157,196)		(150,643)
Provisions for liabilities					
Deferred tax	14	(146,999)		-	
Other provisions	15	(260,786)		(260,786)	
			(407,785)		(260,786)
Net assets			2,369,987		1,849,461
Capital and reserves					
Called up share capital	16		1,193,747		1,193,747
Share premium account	17		108,505		108,505
Profit and loss account	17		1,067,735		547,209
			2,369,987		1,849,461

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


Mr Neil Smallwood
 Director

Date: 28 October 2016

The notes on pages 8 to 19 form part of these financial statements.

FIBA TECH INDUSTRIES LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	1,193,747	108,505	547,209	1,849,461
Profit and total comprehensive income for the year	-	-	520,526	520,526
At 31 December 2015	<u>1,193,747</u>	<u>108,505</u>	<u>1,067,735</u>	<u>2,369,987</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2014 (as previously stated)	950,034	70,218	357,524	1,377,776
Prior year adjustment	-	-	(521,793)	(521,793)
At 1 January 2014 (as restated)	<u>950,034</u>	<u>70,218</u>	<u>(164,269)</u>	<u>855,983</u>
Profit and total comprehensive income for the year	-	-	711,478	711,478
Shares issued during the year	243,713	38,287	-	282,000
At 31 December 2014	<u>1,193,747</u>	<u>108,505</u>	<u>547,209</u>	<u>1,849,461</u>

The notes on pages 8 to 19 form part of these financial statements.

FIBA TECH INDUSTRIES LIMITED

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

1. General information

Fiba Tech Industries Limited is a limited liability company incorporated in England. The registered office is Little Fountains, Dulcote, Wells, Somerset, BS5 3NU.

2. Accounting policies

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 28.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are prepared in sterling which is the functional currency of the company.

The following principal accounting policies have been applied:

2.2 REVENUE

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

Sale of goods

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

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

2.3 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible fixed assets relate to research and development expenditure that has been capitalised. It is amortised at a rate calculated to write off the asset over its estimated useful economic life. A 25% straight line basis is used.

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

2. Accounting policies (continued)

2.4 TANGIBLE FIXED ASSETS

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line and reducing balance basis methods.

Depreciation is provided on the following basis:

Long-term leasehold property	- 15% reducing balance
Plant, machinery and equipment-	15% reducing balance / 33% straight line
	(tools)
Motor vehicles	- 15% reducing balance
Fixtures and fittings	- 15% reducing balance
Office equipment	- 15% reducing balance

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

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

2.5 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost.

2.6 STOCKS

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

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

2.7 DEBTORS

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

2.8 CASH AND CASH EQUIVALENTS

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

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

2. Accounting policies (continued)

2.9 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

2.10 CREDITORS

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

2.11 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

2.12 OPERATING LEASES

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2.13 BORROWING COSTS

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

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

2. Accounting policies (continued)

2.14 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.15 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

FIBA TECH INDUSTRIES LIMITED

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

4. Intangible assets

	Research & development
	£
Cost	
At 1 January 2015	1,676,436
Additions	220,370
	<hr/>
At 31 December 2015	1,896,806
Amortisation	
At 1 January 2015	1,307,932
Charge for the year	141,396
	<hr/>
At 31 December 2015	1,449,328
	<hr/>
Net book value	
At 31 December 2015	<u>447,478</u>
At 31 December 2014	<u>368,504</u>

FIBA TECH INDUSTRIES LIMITED

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

5. Tangible fixed assets

	Long-term leasehold property	Plant, machinery and equipment	Motor vehicles	Fixtures, fittings and office equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2015	43,252	1,162,195	3,000	140,154	1,348,601
Additions	6,390	760,138	-	58,304	824,832
At 31 December 2015	49,642	1,922,333	3,000	198,458	2,173,433
Depreciation					
At 1 January 2015	25,672	634,862	450	55,171	716,155
Charge owned for the period	3,599	260,574	384	21,502	286,059
Charge financed for the period	-	9,026	-	-	9,026
At 31 December 2015	29,271	904,462	834	76,673	1,011,240
Net book value					
At 31 December 2015	<u>20,371</u>	<u>1,017,871</u>	<u>2,166</u>	<u>121,785</u>	<u>1,162,193</u>
At 31 December 2014	<u>17,580</u>	<u>527,333</u>	<u>2,550</u>	<u>84,983</u>	<u>632,446</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Plant and machinery	<u>51,147</u>	<u>28,768</u>

FIBA TECH INDUSTRIES LIMITED

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

6. Fixed asset investments

	Investments in subsidiary companies	£
Cost or valuation		
At 1 January 2015	252,000	
Additions	9,702	
At 31 December 2015	<u>261,702</u>	

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
FTI PTE Limited	Singapore	Ordinary	70 %	Manufacture of products for the gas and oil industry
FTI Korea	Korea	Ordinary	75 %	Manufacture of products for the gas and oil industry

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves	Profit/(loss)
	£	£
FTI PTE Limited	413,219	125,488
FTI Korea	<u>1,838,583</u>	<u>1,644,095</u>

FIBA TECH INDUSTRIES LIMITED**NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015****7. Stocks**

	2015 £	2014 £
Raw materials and consumables	752,153	158,567
Finished goods and goods for resale	126,804	180,365
	<u>878,957</u>	<u>338,932</u>

Stock recognised in cost of sales during the year as an expense was £3,502,454 (2014: £2,577,154).

8. Debtors

	2015 £	2014 £
Trade debtors	1,705,677	1,480,793
Amounts owed by group undertakings	488,270	75,105
Other debtors	275,412	149,563
Prepayments and accrued income	50,765	-
	<u>2,520,124</u>	<u>1,705,461</u>

Included within other debtors due within one year is a loan to Mr N Smallwood, a director, amounting to £64,468 (2014: £101,910). Amounts repaid during the year totalled £101,960. There is no interest on this loan and it is repayable on demand.

9. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	39,413	261,936
Less: bank overdrafts and invoice financing	(354,577)	(110,063)
	<u>(315,164)</u>	<u>151,873</u>

FIBA TECH INDUSTRIES LIMITED**NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015****10. Creditors: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Bank overdraft and invoice financing	354,577	110,063
Trade creditors	698,434	349,998
Amounts owed to group undertakings	211,924	-
Taxation and social security	57,673	103,308
Obligations under finance lease and hire purchase contracts	15,086	5,500
Other creditors	444,619	19,776
Accruals and deferred income	592,586	709,744
	<u>2,374,899</u>	<u>1,298,389</u>

Invoice discounting balances are secured on book debts.

Net obligations under finance leases and hire purchase contracts in creditors less than one year and creditors over one year are secured against the assets they are related to in the agreement.

11. Creditors: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £	2014 £
Other loans	23,750	23,750
Net obligations under finance leases and hire purchase contracts	23,830	17,277
Amounts owed to group undertakings	109,616	109,616
	<u>157,196</u>	<u>150,643</u>

Interest is paid on the amount owed to group undertakings at a rate of 5.5% per annum. There are no repayment terms.

12. Loans

Analysis of the maturity of loans is given below:

	2015 £	2014 £
Amounts falling due 1-2 years		
Other loans	23,750	23,750
	<u>23,750</u>	<u>23,750</u>

FIBA TECH INDUSTRIES LIMITED

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

13. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets measured at fair value through profit or loss	39,413	261,936
Financial assets that are debt instruments measured at amortised cost	2,469,359	1,705,461
	<u>2,508,772</u>	<u>1,967,397</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,140,915)	(978,368)
	<u>(2,140,915)</u>	<u>(978,368)</u>

14. Deferred taxation

	2015 £
Charged to the profit or loss	(146,999)
At end of year	<u>(146,999)</u>

The deferred taxation balance is made up as follows:

	2015 £	2014 £
Fixed asset timing differences	(201,499)	-
Tax losses carried forward	54,500	-
	<u>(146,999)</u>	<u>-</u>

15 Provisions

	Provisions £
At 1 January 2015	260,786
At 31 December 2015	<u>260,786</u>

The provision is in relation to customer warranty claims.

FIBA TECH INDUSTRIES LIMITED**NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015****16. Share capital**

	2015 £	2014 £
SHARES CLASSIFIED AS EQUITY		
ALLOTTED, CALLED UP AND FULLY PAID		
1,193,747- Ordinary shares of £1 each	<u>1,193,747</u>	<u>1,193,747</u>

17. Reserves**Share premium**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

This reserve represents current and prior year retained profit and losses.

18. Prior period adjustment

During the prior year, the Director reviewed the amortisation policy regarding Research and Development costs that are capitalised. He ascertained that the previous rate of 10% reducing balance was amortising costs over too long a period and has determined that 25% straight line is a more appropriate rate. The amount that should have been provided in previous years had the revised rate been used were treated as a prior year adjustment in the 31 December 2014 accounts. The effect of the change was to reduce the net book value of capitalised Research and Development expenditure at 31 December 2014 by £568,184 and to increase the amortisation charge for the year then ended by £46,391.

19. Commitments under operating leases

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
Not later than 1 year	4,136	-
Later than 1 year and not later than 5 years	5,009	-
	<u>9,145</u>	<u>-</u>

FIBA TECH INDUSTRIES LIMITED

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

20. Related party transactions

During the year the company entered into transactions with FTI PTE Limited, a 70% subsidiary incorporated in Singapore. Sales were made to FTI PTE Limited of £220,393 and purchases were made of £257,384. At the year end the company owed FTI PTE Limited £105,879 (2014: £75,105 included in debtors). Additionally FTI PTE Limited has loaned the company £109,616 (2014: £109,616) which is included in creditors due in more than 1 year. Interest is being paid on this loan at 2.2% per annum.

During the year the company entered into transactions with FTI Korea, a 75% subsidiary. Sales were made to FTI Korea of £2,615,669 and management fee of £151,890 was charged. At the year end the company was owed £488,270 (2014: £nil) and this is included in debtors.

During the year Mr N Smallwood, a director, maintained a current account with the company. Advances of £64,518 (2014: £35,559) and repayments of £101,960 (2014: £38,277) were made on this loan. At the year end, the director owed the company £64,468 (2014: £101,910).

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total compensation (including remuneration and social security contributions) in respect of these individuals is £507,392 (2014: £319,001).

21. Controlling party

The company is controlled by the shareholders, there is no ultimate controlling party.

22. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

FIBA TECH INDUSTRIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FIBA TECH INDUSTRIES LIMITED

We were engaged to audit the consolidated financial statements of Fiba Tech Industries Limited and its subsidiaries (the Group) for the year ended 31 December 2015, set out on pages 22 to 42. 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 Financial Reporting Standard 102 '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 Auditors' 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 Director's responsibilities statement on page 3, the director is 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 Financial Reporting Council's Ethical Standards for Auditors. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis of disclaimer of opinion on consolidated financial statements

The audit evidence available to us was limited because we have not received audit assurance from the component auditors regarding the financial statements of the company's overseas subsidiaries, FTI Korea and FTI PTE Limited. For the year ended 31 December 2014, Fiba Tech Industries Limited was exempt from audit and from preparing consolidated accounts. In the knowledge that the Company would not be so exempt for the year to 31 December 2015, the local management of both subsidiaries were instructed to appoint auditors.

FTI Korea is exempt from audit under the law of that country. Whilst the local management of FTI Korea was instructed to appoint auditors by the Director of the parent company, the firm of accountants that were appointed to prepare accounts and to deal with the company's Korean tax affairs were not registered auditors and an audit was not carried out. Consequently we have not been able to receive audit assurances from that firm.

FTI PTE Limited appointed auditors and their report was qualified in respect of opening balances which were not audited and the auditor's non-attendance at the year-end stock take. We have not received further information from the Singapore auditors to enable us to quantify the impact of the qualifications on the Group position.

As the accounts for Fiba Tech Industries are already late for filing, the Director has chosen not to delay their publication any longer.

The contribution to Group turnover (£13,331,280 as reported in the consolidated statement of comprehensive income) has been £997,145 from FTI PTE and £5,230,260 from FTI Korea.

FIBA TECH INDUSTRIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FIBA TECH INDUSTRIES LIMITED

Disclaimer of opinion on consolidated financial statements

Because of the significance of the matters described in the Basis for Disclaimer of Opinion on the Consolidated Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the consolidated financial statements.

Other matters

The comparative figures within these financial statements have not been audited, as the company took advantage of the exemption under s477 of the Companies Act 2006 for the year ended 31 December 2014.

Opinion on other matter prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the consolidated financial statements, in our opinion the information given in the Group strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the accounts.

Matters on which we are required to report by exception

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept in respect of the Company's overseas subsidiaries.

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made.



Tim Borton FCA (Senior statutory auditor)
for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date: 28 October 2016

FIBA TECH INDUSTRIES LIMITED
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Turnover	4	13,331,280	9,858,892
Cost of sales		(5,476,323)	(3,201,809)
Gross profit		7,854,957	6,657,083
Administrative expenses		(6,026,785)	(5,759,712)
Other operating income		110,373	347
Other operating charges		(43,926)	(6)
Operating profit	5	1,894,619	897,712
Interest payable and expenses		(8,258)	(8,601)
Profit before taxation		1,886,361	889,111
Tax on profit	8	(377,554)	(19,507)
Profit for the year		<u>1,508,807</u>	<u>869,604</u>
Currency translation differences		(33,506)	(225)
Other comprehensive income for the year		(33,506)	(225)
Total comprehensive income for the year		<u>1,475,301</u>	<u>869,379</u>
Profit for the year attributed to			
Non-controlling interests		342,867	41,132
Owners of the parent Company		1,165,940	828,472
		<u>1,508,807</u>	<u>869,604</u>
Total comprehensive income for the year attributed to			
Non-controlling interest		342,867	41,132
Owners of the parent Company		1,132,434	828,247
		<u>1,475,301</u>	<u>869,379</u>

FIBA TECH INDUSTRIES LIMITED
REGISTERED NUMBER:03088819

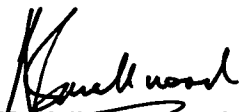
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	9		487,160		419,092
Tangible assets	11		1,264,996		718,345
			<u>1,752,156</u>		<u>1,137,437</u>
Current assets					
Stocks	13	1,210,264		397,984	
Debtors	14	3,664,016		1,756,719	
Cash at bank and in hand	15	250,419		540,223	
			<u>5,124,699</u>	<u>2,694,926</u>	
Creditors: amounts falling due within one year	16	(2,845,466)		(1,429,827)	
Net current assets			<u>2,279,233</u>		<u>1,265,099</u>
Total assets less current liabilities			<u>4,031,389</u>		<u>2,402,536</u>
Creditors: amounts falling due after more than one year	17		(47,580)		(41,027)
Provisions for liabilities					
Deferred taxation	18	(146,999)		-	
Other provisions	19	(260,786)		(260,786)	
			<u>(407,785)</u>		<u>(260,786)</u>
Net assets			<u><u>3,576,024</u></u>		<u><u>2,100,723</u></u>
Capital and reserves					
Called up share capital	20		1,193,747		1,193,747
Share premium account	21		108,505		108,505
Foreign exchange reserve	21		(33,731)		(225)
Profit and loss account	21		1,831,961		666,021
Equity attributable to owners of the parent Company			<u>3,100,482</u>		<u>1,968,048</u>
Non-controlling interests			475,542		132,675
			<u><u>3,576,024</u></u>		<u><u>2,100,723</u></u>

FIBA TECH INDUSTRIES LIMITED
REGISTERED NUMBER:03088819

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2015

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


Mr Neil Smallwood
Director

Date: 28 October 2016

The notes on pages 28 to 42 form part of these financial statements.

FIBA TECH INDUSTRIES LIMITED

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

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 January 2015	1,193,747	108,505	(225)	666,021	1,968,048	132,675	2,100,723
Profit for the year	-	-	-	1,165,940	1,165,940	342,867	1,508,807
Currency translation differences	-	-	(33,506)	-	(33,506)	-	(33,506)
Total comprehensive income for the year	-	-	(33,506)	1,165,940	1,132,434	342,867	1,475,301
At 31 December 2015	1,193,747	108,505	(33,731)	1,831,961	3,100,482	475,542	3,576,024

FIBA TECH INDUSTRIES LIMITED
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 January 2014 (as previously stated)	950,034	70,218		359,342	1,379,594	5,224	1,384,818
Prior year adjustment	-	-	-	(521,793)	(521,793)	-	(521,793)
At 1 January 2014 (as restated)	950,034	70,218		(162,451)	857,801	5,224	863,025
Profit for the year	-	-	-	828,472	828,472	41,132	869,604
Currency translation differences	-	-	(225)	-	(225)	-	(225)
Total comprehensive income for the year	-	-	(225)	828,472	828,247	42,132	869,379
Shares issued during the year	243,713	38,287	-	-	282,000	-	282,000
Non-controlling interest at acquisition	-	-	-	-	-	86,319	86,319
Total transactions with owners	243,713	38,287	-	-	282,000	86,319	368,319
At 31 December 2015	1,193,747	108,505	(225)	666,021	1,968,048	132,675	2,100,723

The notes on pages 28 to 42 form part of these financial statements.

FIBA TECH INDUSTRIES LIMITED
**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	1,508,807	869,604
Adjustments for:		
Amortisation of intangible assets	151,303	150,467
Depreciation of tangible assets	295,085	423,995
Loss on disposal of tangible assets	-	406,864
Interest paid	8,258	8,601
Taxation	377,554	-
(Increase) in stocks	(812,280)	(16,123)
(Increase) in debtors	(1,907,297)	(992,688)
Decrease in amounts owed by groups	-	417
Increase in creditors	967,586	457,785
Increase in provisions	-	260,786
Corporation tax	(36,602)	-
Effect of exchange rates on operating activities	(3,145)	-
Net cash generated from operating activities	549,269	1,569,708
Cash flows from investing activities		
Purchase of intangible fixed assets	(220,370)	(149,923)
Purchase of tangible fixed assets	(871,098)	(773,791)
Sale of fixed asset investments	-	678
HP interest paid	(1,386)	(701)
Aggregate cash flows arising from acquisitions	-	(116,055)
Net cash from investing activities	(1,092,854)	(1,152,600)
Cash flows from financing activities		
Issue of ordinary shares	-	282,000
Repayment of/new finance leases	16,139	14,167
Interest paid	(6,872)	(7,900)
Net cash used in financing activities	6,267	288,267
Cash and cash equivalents at beginning of year	430,160	(355,023)
Cash and cash equivalents at the end of year	(104,158)	430,160
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	250,419	540,223
Bank overdrafts	(354,577)	(110,063)
	(104,158)	430,160

FIBA TECH INDUSTRIES LIMITED

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

1. General information

Fiba Tech Industries Limited is a limited liability company incorporated in England. The registered office is Little Fountains, Dulcote, Wells, Somerset, BS5 3NU.

2. Accounting policies

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are prepared in sterling which is the functional currency of the company.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

For the year ended 31 December 2014, Fiba Tech Industries Limited was exempt from audit and from preparing consolidated accounts. In the knowledge that the Company would not be so exempt for the year to 31 December 2015, the local management of both subsidiaries were instructed to appoint auditors. The Singapore subsidiary duly appointed auditors and their report was qualified in respect of opening balances which were not audited and the auditor's non-attendance at the year-end stock take. The management of FTI Korea did not fully understand the significance of the instruction and the firm appointed were not registered auditors. Consequently an audit was not conducted and the parent company's auditors have not received the necessary audit assurances from the firm appointed in Korea.

With the accounts of Fiba Tech Industries Limited now late as a result of these issues, the Director has been faced with a quandary. There would be further delays if a new audit firm was to be appointed in Korea. Accordingly, in order to be able to file accounts without further delay, the Director has chosen not to wait any longer. A new audit firm is to be appointed in Korea for the year ended 31 December 2016.

The contribution to Group turnover (£13,331,280 as reported in the consolidated statement of comprehensive income) has been £997,145 from FTI PTE and £5,230,260 from FTI Korea.

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

2.3 REVENUE

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

Sale of goods

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

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

2.4 INTANGIBLE ASSETS

GOODWILL

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income statement over its useful economic life which is considered to be 5 years.

OTHER INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible fixed assets relate to research and development expenditure that has been capitalised. It is amortised at a rate calculated to write off the asset over its estimated useful economic life. A 25% straight line basis is used.

2.5 TANGIBLE FIXED ASSETS

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line and reducing balance basis methods.

Depreciation is provided on the following basis:

Long-term leasehold property	- 15% reducing balance
Plant, machinery and equipment- (tools)	15% reducing balance / 33% straight line
Motor vehicles	- 15% reducing balance

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

Fixtures and fittings	- 15% reducing balance
Office equipment	- 15% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.6 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.7 STOCKS

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

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

2.8 DEBTORS

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

2.9 CASH AND CASH EQUIVALENTS

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

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.10 FINANCIAL INSTRUMENTS

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

2.11 CREDITORS

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

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

2.12 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.13 OPERATING LEASES

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2.14 BORROWING COSTS

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

2.15 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.16 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other

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

comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Turnover

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	3,284,531	976,324
Rest of Europe	984,029	2,192,151
Rest of the world	9,062,720	6,690,417
	<u>13,331,280</u>	<u>9,858,892</u>

FIBA TECH INDUSTRIES LIMITED

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

5. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Research & development charged as an expense	50,806	29,002
Depreciation of tangible fixed assets	321,999	423,995
Amortisation of intangible assets	151,303	150,467
Fees payable to the Company's auditor for the audit of the Company's annual accounts	15,500	-
Fees payable to the Group's subsidiaries auditor for audit of the Group's subsidiaries pursuant to legislation	2,143	-
- Other non-audit services	5,955	3,130
Exchange differences	132,014	41,765
Other operating lease rentals	<u>194,302</u>	<u>167,571</u>

6. Employees

Staff costs, including director's remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	3,194,697	2,865,726
Social security costs	267,652	218,395
	<u>3,462,349</u>	<u>3,084,121</u>

The average monthly number of employees, including the director, during the year was as follows:

2015 No.	2014 No.
<u>90</u>	<u>79</u>

7. Director's remuneration

	2015 £	2014 £
Director's emoluments	<u>452,982</u>	<u>281,282</u>

The highest paid director received remuneration of £452,982 (2014: £281,282).

FIBA TECH INDUSTRIES LIMITED

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

8. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	230,555	19,507
Total current tax	<u>230,555</u>	<u>19,507</u>
Deferred tax		
Origination and reversal of timing differences	146,999	-
Total deferred tax	<u>146,999</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>377,554</u>	<u>19,507</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>1,886,361</u>	<u>889,111</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.49%)	381,988	191,070
Effects of:		
Fixed asset differences	114,357	31,699
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,295	(8,209)
Income not taxable for tax purposes	(60,829)	-
Adjustments to brought forward values	(55,554)	-
Additional deduction for R&D expenditure	(60,689)	(37,439)
Adjust closing deferred tax charge to average rate	(18,347)	(5,464)
Adjust opening deferred tax to average rate	902	(5,486)
Deferred tax not recognised	72,431	(146,664)
Total tax charge for the year	<u>377,554</u>	<u>19,507</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

FIBA TECH INDUSTRIES LIMITED

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

9. Intangible assets

Group

	Research & development	Goodwill	Total
	£	£	£
Cost			
At 1 January 2015	1,676,436	50,588	1,727,024
Additions	220,370	-	220,370
Foreign exchange movement	-	(999)	(999)
At 31 December 2015	<u>1,896,806</u>	<u>49,589</u>	<u>1,946,395</u>
Amortisation			
At 1 January 2015	1,307,932	-	1,307,932
Charge for the year	141,396	9,907	151,303
At 31 December 2015	<u>1,449,328</u>	<u>9,907</u>	<u>1,459,235</u>
Net book value			
At 31 December 2015	<u><u>447,478</u></u>	<u><u>39,682</u></u>	<u><u>487,160</u></u>
At 31 December 2014	<u><u>368,504</u></u>	<u><u>50,588</u></u>	<u><u>419,092</u></u>

FIBA TECH INDUSTRIES LIMITED

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

10. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £520,526 (2014: £711,478).

11. Tangible fixed assets

Group

	Long-term leasehold property	Plant, machinery and equipment	Motor vehicles	Fixtures, fittings and office equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2015	43,252	1,198,663	10,045	182,540	1,434,500
Additions	6,390	760,138	7,011	97,559	871,098
Exchange adjustments	-	(957)	(129)	(1,362)	(2,448)
At 31 December 2015	49,642	1,957,844	16,927	278,737	2,303,150
Depreciation					
At 1 January 2015	25,672	634,862	450	55,171	716,155
Charge owned for the period	3,599	276,742	6,725	25,907	312,973
Charge financed for the period	-	9,026	-	-	9,026
At 31 December 2015	29,271	920,630	7,175	81,078	1,038,154
Net book value					
At 31 December 2015	<u>20,371</u>	<u>1,037,214</u>	<u>9,752</u>	<u>197,659</u>	<u>1,264,996</u>
At 31 December 2014	<u>17,580</u>	<u>563,801</u>	<u>9,565</u>	<u>127,369</u>	<u>718,345</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015	2014
	£	£
Plant and machinery	51,147	28,768

FIBA TECH INDUSTRIES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

12. Fixed asset investments**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
FTI PTE Limited	Singapore	Ordinary	70 %	Manufacture of products for the gas and oil industry
FTI Korea	Korea	Ordinary	75 %	Manufacture of products for the gas and oil industry

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
FTI PTE Limited	413,219	125,488
FTI Korea	<u>1,838,583</u>	<u>1,644,095</u>

FIBA TECH INDUSTRIES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015****13. Stocks**

	Group 2015 £	Group 2014 £
Raw materials and consumables	752,153	158,567
Finished goods and goods for resale	458,111	239,417
	<u>1,210,264</u>	<u>397,984</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £6,694,967 (2014:2,577,154) for the Group.

14. Debtors

	Group 2015 £	Group 2014 £
Trade debtors	3,201,589	1,607,123
Amounts owed by group undertakings	-	-
Other debtors	275,563	149,596
Prepayments and accrued income	186,864	-
	<u>3,664,016</u>	<u>1,756,719</u>

15. Cash and cash equivalents

	Group 2015 £	Group 2014 £
Cash at bank and in hand	250,419	540,223
Less: bank overdrafts and invoice financing	(354,577)	(110,063)
	<u>(104,158)</u>	<u>430,160</u>

FIBA TECH INDUSTRIES LIMITED

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

16. Creditors: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2015 £	Group 2014 £
Bank overdrafts and invoice financing	354,577	110,063
Trade creditors	829,613	356,832
Amounts owed to group undertakings	-	-
Corporation tax	217,997	24,044
Taxation and social security	57,673	103,308
Obligations under finance lease and hire purchase contracts	15,086	5,500
Other creditors	646,536	110,634
Accruals and deferred income	723,984	719,446
	<u>2,845,466</u>	<u>1,429,827</u>

17. Creditors: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2015 £	Group 2014 £
Other loans	23,750	23,750
Net obligations under finance leases and hire purchase contracts	23,830	17,277
Amounts owed to group undertakings	-	-
	<u>47,580</u>	<u>41,027</u>

18. Deferred taxation

Group

	2015 £
Charged to the profit or loss	(146,999)
At end of year	<u><u>(146,999)</u></u>

FIBA TECH INDUSTRIES LIMITED

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

18. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	Group 2015 £
Fixed asset timing differences	(201,499)
Tax losses carried forward	54,500
	<u><u>(146,999)</u></u>

19 Provisions

Group

	Provisions £
At 1 January 2015	260,786
At 31 December 2015	<u><u>260,786</u></u>

The provision is in relation to customer warranty claims.

FIBA TECH INDUSTRIES LIMITED

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

20. Share capital

	2015 £	2014 £
SHARES CLASSIFIED AS EQUITY		
ALLOTTED, CALLED UP AND FULLY PAID		
1,193,747- Ordinary shares of £1 each	<u>1,193,747</u>	<u>1,193,747</u>

21. Reserves

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Foreign exchange reserve

This reserve represents exchange differences arising on the company's investment in its foreign operations.

Profit and loss account

This reserve represents current and prior year retained profit and losses.

22. Prior period adjustment

During the prior year, the Director reviewed the amortisation policy regarding Research and Development costs that are capitalised. He ascertained that the previous rate of 10% reducing balance was amortising costs over too long a period and has determined that 25% straight line is a more appropriate rate. The amount that should have been provided in previous years had the revised rate been used were treated as a prior year adjustment in the 31 December 2014 accounts. The effect of the change was to reduce the net book value of capitalised Research and Development expenditure at 31 December 2014 by £568,184 and to increase the amortisation charge for the year then ended by £46,391.

23. Commitments under operating leases

At 31 December 2015 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2015 £
Not later than 1 year	4,136
Later than 1 year and not later than 5 years	5,009
	<u>9,145</u>

FIBA TECH INDUSTRIES LIMITED

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

24. Financial Instruments

	2015 £	2014 £
Financial assets		
Financial assets measured at fair value through profit or loss	250,419	540,223
Financial assets that are debt instruments measured at amortised cost	4,201,523	2,309,921
	<u>4,451,942</u>	<u>2,850,144</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(3,094,452)	(2,075,058)
	<u>(3,094,452)</u>	<u>(2,075,058)</u>

25. Related party transactions

During the year the company entered into transactions with FTI PTE Limited, a 70% subsidiary incorporated in Singapore. Sales were made to FTI PTE Limited of £220,393 and purchases were made of £257,384. At the year end the company owed FTI PTE Limited £105,879 (2014: £75,105 included in debtors). Additionally FTI PTE Limited has loaned the company £109,616 (2014: £109,616) which is included in creditors due in more than 1 year. Interest is being paid on this loan at 2.2% per annum.

During the year the company entered into transactions with FTI Korea, a 75% subsidiary. Sales were made to FTI Korea of £2,615,669 and management fee of £151,890 was charged. At the year end the company was owed £488,270 (2014: £nil) and this is included in debtors.

During the year Mr N Smallwood, a director, maintained a current account with the company. Advances of £64,518 (2014: £35,559) and repayments of £101,960 (2014: £38,277) were made on this loan. At the year end, the director owed the company £64,468 (2014: £101,910).

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total compensation (including remuneration and social security contributions) in respect of these individuals for the company is £507,392 (2014: £319,001) and for the group is £621,568 (2014: £319,001).

26. Controlling party

The company is controlled by the shareholders, there is no ultimate controlling party.

27. Post balance sheet events

As part of the company's renegotiation with the other shareholders of its Korean subsidiary, the company reduced its shareholding in FTI Korea from 75% to 60% during 2016 for no consideration.

28. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.



Purchase Order

Fiba Tech Industries Ltd
Willmotts Business Park
Waterlip
Shepton Mallet
Somerset BA4 4RN

Tel: 01749 881920 Fax 01749 880843

support@fti-group.co.uk

VAT Reg No: 639 7846 77

Red Fox Line Limited
Little Abbotsford
Isaacs Lane
Burgess Hill
West Sussex
RH15 8RA

FAX 01444 257 888

TEL 01444 257 000

Order No. 4091180

Purchase Order Date: 23/09/2016

Account REDFOX

All prices in Sterling

Qty Ordered	Product Code	Product Description	Unit Price	Discount Amount	Net Price	VAT Amount
7.0	RXTRANS	CUSTOMER TRANSPORT	2,346.0000	0.00	16,422.00	0.00
0.0	M	1 x 40FT HC to be loaded on the 28.09.16	0.0000	0.00	0.00	0.00
0.0	M	3 x 40FT HC to be loaded on the 29.09.16	0.0000	0.00	0.00	0.00
0.0	M	3 x 40FT HC to be loaded on the 30.09.16	0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M	Loading Address: DUNA-CORRADINI S.P.A.	0.0000	0.00	0.00	0.00
0.0	M	VIA MODENA-CARPI, 388	0.0000	0.00	0.00	0.00
0.0	M	41019 SOLIERA (MO) ITALY	0.0000	0.00	0.00	0.00
0.0	M	Monica Vezzani	0.0000	0.00	0.00	0.00
0.0	M	Dir.Tel. +39 059 893934	0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M	Collection Time: 08:00am - 12:30pm	0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M	FTI Ref: 5973	0.0000	0.00	0.00	0.00

Total Net Amount 16,422.00

Carriage 0.00

Total VAT Amount 0.00

Order Total 16,422.00



Purchase Order

Fiba Tech Industries Ltd
Willmotts Business Park
Waterlip
Shepton Mallet
Somerset BA4 4RN

Tel: 01749 881920 Fax 01749 880843

support@fti-group.co.uk

VAT Reg No: 639 7846 77

Red Fox Line Limited
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Burgess Hill
West Sussex
RH15 8RA

FAX 01444 257 888

TEL 01444 257 000

Order No. 4091267

Purchase Order Date: 20/10/2016

Account REDFOX

All prices in Sterling

Qty Ordered	Product Code	Product Description	Unit Price	Discount Amount	Net Price	VAT Amount
1.0	RXTRANS	CUSTOMER TRANSPORT	1,885.0000	0.00	1,885.00	0.00
0.0	M	1 x 40FT GP to be loaded at our Waterlip site on 21.1	0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M	Time: 8am	0.0000	0.00	0.00	0.00
0.0	M	Destination: Tanjung Pelepas	0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M	Thank You	0.0000	0.00	0.00	0.00
0.0	M	Nick	0.0000	0.00	0.00	0.00
0.0	M	FTI REF:RGT2 - 5973 Field Works	0.0000	0.00	0.00	0.00

Total Net Amount 1,885.00

Carriage 0.00

Total VAT Amount 0.00

Order Total 1,885.00



Purchase Order

Red Fox Line Limited
Little Abbotsford
Isaacs Lane
Burgess Hill
West Sussex
RH15 8RA

FAX 01444 257 888 TEL 01444 257 000

Fiba Tech Industries Ltd
Willmotts Business Park
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Somerset BA4 4RN

Tel:01749 881920 Fax 01749 880843

support@fti-group.co.uk

VAT Reg No: 639 7846 77

Order No. 4091175

Purchase Order Date: 22/09/2016

Account REDFOX

All prices in Sterling

Qty Ordered	Product Code	Product Description	Unit Price	Discount Amount	Net Price	VAT Amount
1.0	RXTRANS	CUSTOMER TRANSPORT	1,885.0000	0.00	1,885.00	0.00
0.0	M	1 x 40FT GP to be loaded at our Waterlip site on 28.0	0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M	Time: 8am	0.0000	0.00	0.00	0.00
0.0	M	Destination: Tanjung Pelepas	0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M		0.0000	0.00	0.00	0.00
0.0	M	Thank You	0.0000	0.00	0.00	0.00
0.0	M	Nick	0.0000	0.00	0.00	0.00
0.0	M	FTI REF:RGT2 - 5973 Field Works	0.0000	0.00	0.00	0.00

Total Net Amount 1,885.00

Carriage 0.00

Total VAT Amount 0.00

Order Total 1,885.00