

FILEDER HOLDINGS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



Company Registration Number : 03091401 (England and Wales)

FILEDER HOLDINGS LIMITED

COMPANY INFORMATION

Director	Mr M J Ede
Secretary	Mrs S R Warren
Registered number	03091401
Registered office	St Leonards Road 20/20 Business Park Maidstone Kent ME16 0LS
Auditors	Day, Smith & Hunter Globe House Eclipse Park Sittingbourne Road Maidstone Kent ME14 3EN

FILEDER HOLDINGS LIMITED

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FILEDER HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents his strategic report for Filerder Holdings Limited for the year ended 31 December 2015.

Review and analysis of the business during the year

The principal activity of the company throughout the year under review was as a service and holding company. The activity of the subsidiary undertaking is shown in note 11 to the accounts.

Development and financial performance during the year

As reported in the group's profit and loss account on page 7, the turnover has increased by 8.7% from £9,783,421 to £10,634,076. Profit before tax has decreased from £1,398,340 to £1,073,273.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The KPIs used to determine the progress and performance of the group are set out below:

	2015	2014
Turnover (£'000)	10,634	9,783
Operating profit (£'000)	1,093	1,408

The director is satisfied with the performance of the group in the year, and anticipates an improvement in the results of the current year.

Financial position at the reporting date

The balance sheet shows that the group's net assets at the year end have increased from £4,520,396 to £4,825,608. The group invested £521,201 in fixed assets during the year.

Principal risks and uncertainties facing the business

Management continually monitor the key risks facing the group, together with assessing the controls used for managing these risks. The director formally reviews and documents the principal risks facing the business.

The principal risks and uncertainties facing the group are as follows:

- **Competitive risks and market** – the liquid filtration industry is competitive, and the group faces pressure from other organisations in the execution of its strategy. This is addressed by the depth of expertise in the industry of the management team, a detailed understanding of the market and environment, and a commitment to quality.
- **Legislative risks** – the group is subject to normal company laws and regulations such as employment legislation, which may be subject to change. Robust compliance and monitoring controls minimise the group's exposure.
- **Reliance on key suppliers** – the group's purchasing activities could expose it to over-reliance on certain suppliers and inflationary pricing pressures. The group manages this risk by ensuring there is enough breadth in its supplier base and by constantly seeking to find potential alternative suppliers that may be used, if necessary.

FILEDER HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Principal risks and uncertainties facing the business

(Continued)

- Loss of key personnel – this would present significant operational difficulties for the group. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

Signed on behalf of the board



M J Ede
Director

Date: 26-9-16

FILEDER HOLDINGS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Results and dividends

The results for the year are shown in the profit and loss account on page 7. The group profit for the year after taxation was £846,938.

Dividends paid in the year were £541,726.

The director does not recommend the payment of a final dividend for the year.

Financial instruments

The group's principal financial instruments comprise its banking facilities. The main purpose of these instruments is to raise funds and to finance the group's operations.

Due to the nature of the financial instruments used by the group there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instruments is shown below.

In respect of bank balances the liquidity risk is managed by transferring funds between the accounts of the group to obtain the maximum rate of interest, whilst not impacting on the immediate financial needs of the group.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Future developments

The director considers that the forthcoming financial year will result in an improvement in the results. The aim is to continue to implement the management policies which have been introduced in recent years in relation to addressing the industry risks the group faces and which have assisted in successfully overcoming the difficulties and uncertainties in the market place. Overall, the director believes that the group is well placed in terms of the strategic and market position to maximise its ability to generate sales and satisfy customer demand.

Director

The director who served during the year was:

Mr M J Ede

Director's responsibility

The director is responsible for preparing the director's report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the parent company 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in business.

FILEDER HOLDINGS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Director's responsibility


(continued)

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group'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.

Disclosure of information to auditors

The director confirms that so far as he is aware, there is no relevant audit information of which the company's auditors are unaware. 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 auditors are aware of that information.

Signed on behalf of the board


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M J Ede
Director

Date: 26-9-16

FILEDER HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF FILEDER HOLDINGS LIMITED

We have audited the financial statements of Fieder Holdings Limited for the year ended 31 December 2015, which are set out on pages 7 to 23. 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.

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 the director and auditors

As explained more fully in the Director's Responsibilities Statement set out 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 Auditing Practices Board's (APB'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 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 directors; 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 group's and the parent company's affairs as at 31 December 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements:

FILEDER HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF FILEDER HOLDINGS LIMITED

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 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; or
- we have not received all the information and explanations we required for our audit.

Philip Wilson FCA (Senior Statutory Auditor)
For and on behalf of Day, Smith & Hunter

... 06/09/2016

Chartered Accountants
Statutory Auditor

Globe House, Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN

FILEDER HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	10,634,076	9,783,421
Cost of sales		(6,072,404)	(5,259,311)
Gross profit		4,561,672	4,524,110
Administrative expenses		(3,473,553)	(3,141,503)
Other operating income		5,203	26,001
Operating profit	4	1,093,322	1,408,608
Other interest receivable and similar income		90	39
Interest payable and similar charges	7	(20,139)	(10,307)
Profit on ordinary activities before taxation		1,073,273	1,398,340
Taxation	8	(226,335)	(312,827)
Profit and comprehensive income for the year		<u>846,938</u>	<u>1,085,513</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

FILEDER HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible fixed assets	10	2,432,601	2,191,000
Current assets			
Stock		2,032,101	1,936,038
Debtors	13	2,484,368	2,316,312
Cash at bank and in hand		108,813	153,409
		<u>4,625,282</u>	<u>4,405,759</u>
Creditors: amounts falling due within one year	14	<u>(1,895,754)</u>	<u>(2,067,012)</u>
Net current assets		<u>2,729,528</u>	<u>2,338,747</u>
Total assets less current liabilities		<u>5,162,129</u>	<u>4,529,747</u>
Creditors: amounts falling due after more than one year	15	(314,742)	-
Provision for liabilities and charges	16	<u>(21,779)</u>	<u>(9,351)</u>
Net assets		<u><u>4,825,608</u></u>	<u><u>4,520,396</u></u>
Capital and reserves			
Called up share capital	17	50,000	50,000
Profit and loss account		<u>4,775,608</u>	<u>4,470,396</u>
Total equity		<u><u>4,825,608</u></u>	<u><u>4,520,396</u></u>

Approved by the board on 26-9-16 and signed on its behalf.



M J Ede
Director

Company number : 03091401

FILEDER HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	10	1,748,100	1,777,305
Investments	11	50,000	50,000
		<u>1,798,100</u>	<u>1,827,305</u>
Current assets			
Debtors	13	2,193,946	1,834,406
Cash at bank and in hand		937	12,561
		<u>2,194,883</u>	<u>1,846,967</u>
Creditors: amounts falling due within one year	14	<u>(284,326)</u>	<u>(898,166)</u>
Net current assets		<u>1,910,557</u>	<u>948,801</u>
Total assets less current liabilities		<u>3,708,657</u>	<u>2,776,106</u>
Creditors: amounts falling due after more than one year	15	(314,742)	-
Provision for liabilities and charges	16	<u>(20,959)</u>	<u>(20,310)</u>
Net assets		<u><u>3,372,956</u></u>	<u><u>2,755,796</u></u>
Capital and reserves			
Called up share capital	17	50,000	50,000
Profit and loss account		<u>3,322,956</u>	<u>2,705,796</u>
Total equity		<u><u>3,372,956</u></u>	<u><u>2,755,796</u></u>

Approved by the board on 26-9-16 and signed on its behalf.



M J Ede
Director

Company number : 03091401

FILEDER HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2015

Group

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		50,000	4,044,883	4,094,883
Year ended 31 December 2014:				
Profit and total comprehensive income for the year		-	1,085,513	1,085,513
Dividends	9	-	(660,000)	(660,000)
Balance at 31 December 2014		50,000	4,470,396	4,520,396
Year ended 31 December 2015:				
Profit and total comprehensive income for the year		-	846,938	846,938
Dividends	9	-	(541,726)	(541,726)
Balance at 31 December 2015		<u>50,000</u>	<u>4,775,608</u>	<u>4,825,608</u>

Company

Balance at 1 January 2014		50,000	2,502,530	2,552,530
Year ended 31 December 2014:				
Profit and total comprehensive income for the year		-	863,266	863,266
Dividends	9	-	(660,000)	(660,000)
Balance at 31 December 2014		50,000	2,705,796	2,755,796
Year ended 31 December 2015:				
Profit and total comprehensive income for the year		-	1,158,886	1,158,886
Dividends	9	-	(541,726)	(541,726)
Balance at 31 December 2015		<u>50,000</u>	<u>3,322,956</u>	<u>3,372,956</u>

FILEDER HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Cash flows from operating activities			
Cash generated from operations	18	1,120,157	1,447,427
Interest paid		(20,139)	(10,307)
Income taxes paid		(321,517)	(288,170)
Net cash inflow from operating activities		<u>778,501</u>	<u>1,148,950</u>
Investing activities			
Purchase of tangible fixed assets	(521,201)	(225,897)	
Proceeds on disposal of tangible fixed assets	131,955	59,000	
Interest received	90	39	
Net cash used in investing activities		<u>(389,156)</u>	<u>(166,858)</u>
Financing activities			
Repayment of preference shares	(500,000)	-	
Proceeds of new bank loans	500,000	-	
Repayment of bank loans	(87,730)	-	
Dividends paid	(541,726)	(660,000)	
Net cash used in financing activities		<u>(629,456)</u>	<u>(660,000)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(240,111)</u>	<u>322,092</u>
Cash and cash equivalents at beginning of year		<u>(169,172)</u>	<u>(491,264)</u>
Cash and cash equivalents at end of year		<u><u>(409,283)</u></u>	<u><u>(169,172)</u></u>
Relating to:			
Cash at bank and in hand		108,813	153,409
Bank overdrafts included in creditors payable within one year		<u>(518,096)</u>	<u>(322,581)</u>

FILEDER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Fileder Holdings Limited is a company limited by shares incorporated in England and Wales. The registered office is St Leonards Road, 20/20 Business Park, Maidstone, Kent ME16 0LS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

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

These financial statements for the year ended 31 December 2015 are the first financial statements of Fileder Holdings Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 21.

1.2 Consolidated accounts

The consolidated financial statements incorporate the accounts of the company and its subsidiary for the year to 31 December 2015. All intra-group transactions have been eliminated on consolidation.

In accordance with Section 408 of the Companies Act 2006, the company has taken advantage of the exemption from providing its own profit and loss account. The company's profit after tax for the year ended 31 December 2015 amounted to £1,158,886 (2014: £863,266).

1.3 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% on cost
Leasehold improvements	Over the period of the lease
Plant and machinery	25% on cost
Fixtures, fittings and equipment	10%-50% on cost
Motor vehicles	25% on cost

1 Accounting policies (Continued)

1.5 Tangible fixed assets (Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit and loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operational policies of the entity so as to obtain economic benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use.

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and realisable value.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

FILEDER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.10 Financial instruments

The group applies the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments, which are classified as basic.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

De-recognition of financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measure at amortised cost using the effective interest method.

FILEDER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.10 Financial instruments

(Continued)

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liability or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

FILEDER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.13 Employee benefits

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

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

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

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss accounts for the period.

2 Judgement and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The critical judgements that the director has made in the process of applying the group's policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the director has considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no material indicators of impairment identified during the current financial year.

FILEDER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Judgement and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liability within the next financial year are discussed below.

Estimating value in use

Where an indication of impairment exists the director will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the director to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

Recoverability of receivables

The group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the director considers factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

Determining residual values and useful economic lives of tangible fixed assets (profit, plant and equipment)

The group depreciates tangibles fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovations, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

3 Turnover

Turnover analysed by geographical area:

	2015 £	2014 £
United Kingdom	7,880,769	8,067,549
Export sales	2,753,307	1,715,872
	<u>10,634,076</u>	<u>9,783,421</u>

FILEDER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

4 Operating profit

This is stated after charging/(crediting) the following:-

	2015	2014
	£	£
Exchange losses/(gains)	107,230	(101,958)
Profit on disposal of tangible fixed assets	(17,238)	(23,600)
Depreciation	164,884	190,506
Auditors' remuneration	17,330	16,635
Cost of stocks recognised as an expense	5,924,329	5,361,269
	<u>5,924,329</u>	<u>5,361,269</u>

5 Employee information

	2015	2014
	£	£
Staff costs:		
Wages and salaries	1,867,418	1,726,361
Social security costs	204,170	193,227
	<u>2,071,588</u>	<u>1,919,588</u>

The average number of persons employed during the year, including the director, was made up as follows:

	2015	2014
	Number	Number
Administration	20	24
Sales	19	15
Warehouse	25	19
	<u>64</u>	<u>58</u>

6 Director's emoluments

	2015	2014
	£	£
Remuneration for services of the director and key management personnel	<u>278,294</u>	<u>289,275</u>

7 Interest payable and similar charges

	2015	2014
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest payable on bank loans and overdrafts	9,768	51
Interest payable on shareholders loans	8,141	10,229
Other interest	2,230	27
	<u>20,139</u>	<u>10,307</u>

FILEDER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

8 Taxation on profit on ordinary activities

	2015 £	2014 £
United Kingdom corporation tax at 20.25% (2014 : 21.49%)	213,907	321,517
Deferred taxation (note 16)	12,428	(8,690)
	<u>226,335</u>	<u>312,827</u>
Profit on ordinary activities	<u>1,073,273</u>	<u>1,398,340</u>

Factors affecting the tax charge for the year

Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK at 20.25% (2014 : 21.49%)	217,338	300,503
Effects of:-		
Expenses not deductible for tax purposes	3,758	6,357
Depreciation on assets not qualifying for capital allowances	5,559	6,002
Effects of change in corporation tax rate	(320)	43
Other non-reversing timing differences	-	(78)
	<u>226,335</u>	<u>312,827</u>

9 Dividends

	2015 £	2014 £
Dividend paid on ordinary shares at £10.80 per share (2014 : £12.60)	540,000	630,000
Preference dividend	1,726	30,000
	<u>541,726</u>	<u>660,000</u>

10 Tangible fixed assets - group

	Leasehold improvements £	Freehold land and buildings £	Motor vehicles £	Equipment, fixtures and fittings £	Plant and machinery £	Total £
Cost:						
At 1 January 2015	99,018	2,110,258	470,789	118,623	164,237	2,962,925
Additions	-	-	445,853	-	75,347	521,201
Disposals	-	-	(240,271)	-	(50,000)	(290,271)
At 31 December 2015	<u>99,018</u>	<u>2,110,258</u>	<u>676,371</u>	<u>118,623</u>	<u>189,585</u>	<u>3,193,854</u>
Depreciation:						
At 1 January 2015	57,918	332,954	171,727	108,209	101,117	771,925
Provision for the year	5,604	29,205	83,763	5,226	41,086	164,884
Disposals	-	-	(135,630)	-	(39,925)	(175,555)
At 31 December 2015	<u>63,522</u>	<u>362,159</u>	<u>119,860</u>	<u>113,435</u>	<u>102,278</u>	<u>761,254</u>
Net book value:						
At 31 December 2015	<u>35,496</u>	<u>1,748,099</u>	<u>556,511</u>	<u>5,188</u>	<u>87,307</u>	<u>2,432,601</u>
At 31 December 2014	<u>41,100</u>	<u>1,777,304</u>	<u>299,062</u>	<u>10,414</u>	<u>63,120</u>	<u>2,191,000</u>

FILEDER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

10 Tangible fixed assets – company

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost:			
At 1 January 2015 and 31 December 2015	2,110,258	39,112	2,149,370
Depreciation:			
At 1 January 2015	332,954	39,111	372,065
Provision for the year	29,205	-	29,205
At 31 December 2015	362,159	39,111	401,270
Net book value:			
At 31 December 2014	1,748,099	1	1,748,100
At 31 December 2015	1,777,304	1	1,777,305

11 Investments

	2015 £	2014 £
Investments in subsidiary at cost		
At 1 January 2015 and 31 December 2015	50,000	50,000

The company's investment, at the balance sheet date, comprises one wholly owned subsidiary:

Fileder Filter Systems Limited, a company incorporated in England. The principal activity of Fileder Filter Systems Limited is the distribution of liquid filtration products and equipment.

12 Financial instruments

	2015 Group £	2015 Company £	2014 Group £	2014 Company £
Financial assets				
Equity instruments measured at cost less impairment:				
Fixed asset investments	-	50,000	-	50,000
Measured at undiscounted amount receivable:				
Trade and other debtors	1,895,603	44,462	1,630,179	-
Assets owed by group undertakings	-	2,149,484	-	1,834,406
	<u>1,895,603</u>	<u>2,243,946</u>	<u>1,630,179</u>	<u>1,884,406</u>

FILEDER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

12 Financial instruments

(Continued)

	2015 Group £	2015 Company £	2014 Group £	2014 Company £
Financial liabilities				
Measured at undiscounted cost payable:				
Bank loan and overdraft	930,366	412,270	322,581	-
Preference shares	-	-	500,000	500,000
Trade and other creditors	916,220	38,955	629,483	256,832
	<u>1,846,586</u>	<u>451,225</u>	<u>1,522,064</u>	<u>756,832</u>

13 Debtors

	2015 Group £	2015 Company £	2014 Group £	2014 Company £
Amounts owed by group undertakings	-	2,149,484	-	1,834,406
Trade debtors	1,827,126	-	1,626,156	-
Other debtors	68,477	44,462	4,023	-
Prepayments	588,765	-	686,133	-
	<u>2,484,368</u>	<u>2,193,946</u>	<u>2,316,312</u>	<u>1,834,406</u>

The amounts owed by group undertakings in 2014 included £1,000,000 which fell due after more than one year.

14 Creditors: amounts falling due within one year

	2015 Group £	2015 Company £	2014 Group £	2014 Company £
Bank loan and overdrafts	615,624	97,528	322,581	-
Trade creditors	758,602	-	377,786	-
Other creditors	157,618	38,955	321,697	256,832
Corporation tax	213,907	105,105	321,517	118,633
Other taxation and social security	150,003	42,738	223,431	22,701
Preference shares (note 17)	-	-	500,000	500,000
	<u>1,895,754</u>	<u>284,326</u>	<u>2,067,012</u>	<u>898,166</u>

The bank overdraft is secured over the assets of the subsidiary undertaking Fileder Filter Systems Limited.

15 Creditors: amounts falling due after more than one year

	2015 Group £	2015 Company £	2014 Group £	2014 Company £
Bank loan	<u>314,742</u>	<u>314,742</u>	<u>-</u>	<u>-</u>

FILEDER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

15 Creditors: amounts falling due after more than one year (Continued)

The bank loan is secured by a fixed charge over the company's property and a guarantee of £500,000 by Fileder Filter Systems Limited. The bank loan is repayable over 60 months and interest is payable at a rate of 1.96% per annum over base rate.

16 Provision for liabilities and charges

The amount provided for deferred taxation and the movement during the year were as follows:

	2015 Group £	2015 Company £	2014 Group £	2014 Company £
Accelerated capital allowances	<u>21,779</u>	<u>20,959</u>	<u>9,351</u>	<u>20,310</u>
Provision at start of year	9,351	20,310		
Deferred tax charge in profit and loss account for the year	<u>12,428</u>	<u>649</u>		
Provision at end of year	<u>21,779</u>	<u>20,959</u>		

17 Called up share capital

	2015 £	2014 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

In accordance with Financial Reporting Standard 102, the company's redeemable preference shares were classified as a creditor (note 14).

The redeemable preference shares carried no right to vote at general meetings and had an individual right to a dividend payment as determined by the director. The preference shares were redeemed on 8 January 2015.

18 Cash generated from operations

	2015 £	2014 £
Profit for the year after tax	846,938	1,085,513
Adjustments for:		
Taxation charged	226,335	312,827
Finance costs	20,139	10,307
Investment income	(90)	(39)
Gain on disposal of tangible fixed assets	(17,240)	(23,600)
Depreciation and impairment of tangible fixed assets	164,884	190,506
Movements in working capital:		
(Increase) in stock	(96,063)	(120,047)
(Increase) in debtors	(168,056)	(346,675)
Increase in creditors	143,310	338,635
Cash generated from operations	<u>1,120,157</u>	<u>1,447,427</u>

FILEDER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

19 Related parties

During the year ended 31 December 2015 the company was controlled by Mr M J Ede by virtue of his 51% shareholding.

Included in other debtors is an outstanding balance due from Mr M J Ede of £44,462 (2014 : £Nil). Interest charges of £Nil (2014 : £4,359) were paid to the company by Mr M J Ede.

Included in other creditors are outstanding balances due to Mr R N Ede and Mrs A L Ede totalling £32,354 (2014:£247,482). Mr R N Ede and Mrs A L Ede are both former directors and Mrs A L Ede is an existing shareholder of the company. During the year ended 31 December 2015 interest of £8,141 (2014: £10,229) was charged on these outstanding balances.

During the year a dividend of £275,400 (2014 : £321,000) was paid to the director.

20 Capital commitments

At 31 December 2015 the group had no capital commitments (2014: £58,856).

21 Reconciliation on adoption of FRS 102

Reconciliation of equity

	1 January 2014 Group £	1 January 2014 Company £	31 December 2014 Group £	31 December 2014 Company £
Equity as reported under previous UK GAAP and under FRS 102	4,094,883	2,552,530	4,520,396	2,755,796

Reconciliation of profit for the financial period

	2014 Group £	2014 Company £
Profit as reported under previous UK GAAP and under FRS 102	1,085,513	863,266

Notes to reconciliation on adoption of FRS 102

In considering the transition to FRS 102 management has reviewed the areas where the treatment adopted by FRS 102 could be different to that under UK Accounting Standards in existence prior to the transition date of 1 January 2014. Given the nature of the group and company's activities, their assets and liabilities, it has been determined that no adjustments are required to the recognition of income and expenses or the carrying value of assets and liabilities.