

Company Registration No. 08063321 (England and Wales)

DUFFELLS INVESTMENTS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015

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DUFFELLS INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	N Bartholomew A Kunes J Kunes
Company number	08063321
Registered office	Unit 3 Commerce Park 19 Commerce Way Croydon Surrey CR0 4YL
Auditors	RSM UK Audit LLP Chartered Accountants STC House 7 Elmfield Road Bromley Kent BR1 1LT

DUFFELLS INVESTMENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Fair review of the business

The group is a long established wholesale distributor of locks, security, ironmongery, UPVC repair and other specialist locking products to the UK and Ireland. Distribution of products takes place by courier following the day an order is placed by phone, fax, email or internet. They also have a trade counter where customer can collect items in person.

Management consider that the group is a one stop shop due to the vast product range held in stock and in terms of finding products through a special orders team. The group also offers a technical support service and it is an affiliate member of the Master Locksmiths Association and GAI (Guild of Architectural Ironmongers).

Management's main objectives include seeking to expand the customer base of the group and consequently improve profitability and to perform their duties within the relevant laws and regulations. The group employed 84 staff at the of 2015.

Principal risks and uncertainties

The principal risks and uncertainties that the group faces are considered by management to be as follows:

Economic downturn - management acknowledges that it is important to maintain a close relationship with its key customers so that early signs of financial difficulties may be identified. Sales trends are also reviewed periodically so that early action can be taken in case of a decline in sales.

Financial risk – as customers face their own economic challenges, there is an increased risk to late payment and bad debt. The company takes steps to ensure that adequate cash flow is available to ensure that these risks can be managed.

Competition - it is considered that the market in which the group operates is very competitive. In order to manage this particular risk the group provides quality service together with an extensive stock range and maintains a strong relationship with its key customers.

Reliance on key suppliers - the group's purchasing activities could expose it to over reliance on some suppliers. This risk is managed by having a wide supplier base.

Loss of key personnel - to avoid the operational difficulties that may be caused by this risk management seek to ensure that key employees are appropriately remunerated.

Development and performance

Turnover has increased by 5.32% from 2014 sales of £12,682,585 to £13,357,394 in 2015.

This is the result of our continued strategic focuses on product ranges and continued improvements to our service and offerings.

Sales growth has been achieved by offering existing customers a greater range of goods and services through multiple sales channels that meet their ordering requirements. Those customers are also supported by an excellent delivery service which ensures that emergency products are typically delivered the next working day.

On behalf of the board



N Bartholomew

Director

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DUFFELLS INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Principal activities

The principal activity of the company continued to be that of a holding company. The group's activities cover wholesale distribution of locks, security, ironmongery, UPVC repair and other specialist locking products to the UK and Ireland.

Directors

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

N Bartholomew
A Kunes
J Kunes

Results and dividends

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

Ordinary dividends were paid amounting to £160,000 (2014: £222,222). The directors do not recommend payment of a final dividend (2014: £nil).

Auditor

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

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Strategic report

Information is not shown within this Directors' Report as it is instead included within the Strategic Report on page 1 under S414c(11).

On behalf of the board



N Bartholomew

Director

27 July 2016

DUFFELLS INVESTMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUFFELLS INVESTMENTS LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 5 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RSM UK Audit LLP

Richard Coates (Senior Statutory Auditor)

for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

STC House

7 Elmfield Road

Bromley

Kent

BR1 1LT

29 July 2016

DUFFELLS INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

		2015 £	2014 £
	Notes		
Revenue	3	13,357,394	12,682,585
Cost of sales		(10,422,825)	(10,067,039)
Gross profit		<u>2,934,569</u>	<u>2,615,546</u>
Administrative expenses		(2,619,556)	(2,319,025)
Operating profit	4	<u>315,013</u>	<u>296,521</u>
Finance costs	8	(57,057)	(46,944)
Profit on ordinary activities before taxation		<u>257,956</u>	<u>249,577</u>
Taxation	9	(103,437)	(107,712)
Profit for the financial year	24	<u>154,519</u>	<u>141,865</u>
Total comprehensive income for the year		<u><u>154,519</u></u>	<u><u>141,865</u></u>

DUFFELLS INVESTMENTS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2015**

	Notes	2015 £	£	2014 £	£
Fixed assets					
Goodwill	11	1,499,977		1,690,012	
Property, plant and equipment	12	441,373		515,197	
		<u>1,941,350</u>		<u>2,205,209</u>	
Current assets					
Inventories	15	1,373,712		1,218,387	
Trade and other receivables	16	1,809,108		2,026,997	
Cash at bank and in hand		1,734		6,354	
		<u>3,184,554</u>		<u>3,251,738</u>	
Current liabilities	17	(3,637,917)		(3,255,387)	
Net current liabilities			(453,363)		(3,649)
Total assets less current liabilities			<u>1,487,987</u>		<u>2,201,560</u>
Non-current liabilities	18	(1,050,000)		(1,750,000)	
Provisions for liabilities			(46,134)		(54,226)
Net assets			<u>391,853</u>		<u>397,334</u>
Equity					
Called up share capital	23		100		100
Share premium account	24		459,772		459,772
Retained earnings	24		(68,019)		(62,538)
Equity attributable to owners of the parent company			<u>391,853</u>		<u>397,334</u>

The financial statements were approved by the board of directors and authorised for issue on 27 July 2016 and are signed on its behalf by:


N Bartholomew
Director

DUFFELLS INVESTMENTS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2015**

	Notes	2015 £	£	2014 £	£
Fixed assets					
Investments	13	2,583,360		2,583,360	
Current assets					
Trade and other receivables	16	-		76,512	
Current liabilities	17	(1,073,488)		(350,000)	
Net current liabilities		(1,073,488)		(273,488)	
Total assets less current liabilities		1,509,872		2,309,872	
Non-current liabilities	18	(1,050,000)		(1,750,000)	
Net assets		459,872		559,872	
Equity					
Called up share capital	23	100		100	
Share premium account	24	459,772		459,772	
Retained earnings	24	-		100,000	
Total equity		459,872		559,872	

The financial statements were approved by the board of directors and authorised for issue on 27 July 2016 and are signed on its behalf by:



N Bartholomew
Director

DUFFELLS INVESTMENTS LIMITED

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

	Notes	Share capital £	Share premium account £	Retained earnings £	Total £
Balance at 1 January 2014		100	459,772	17,819	477,691
Period ended 31 December 2014:					
Profit and total comprehensive income for the year		-	-	141,865	141,865
Dividends	10	-	-	(222,222)	(222,222)
Balance at 31 December 2014		100	459,772	(62,538)	397,334
Period ended 31 December 2015:					
Profit and total comprehensive income for the year		-	-	154,519	154,519
Dividends	10	-	-	(160,000)	(160,000)
Balance at 31 December 2015		100	459,772	(68,019)	391,853

DUFFELLS INVESTMENTS LIMITED

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

	Notes	Share capital £	Share premium account £	Retained earnings £	Total £
Balance at 1 January 2014		100	459,772	100,000	559,872
Period ended 31 December 2014:					
Profit and total comprehensive income for the year		-	-	222,222	222,222
Dividends	10	-	-	(222,222)	(222,222)
Balance at 31 December 2014		100	459,772	100,000	559,872
Period ended 31 December 2015:					
Profit and total comprehensive income for the year		-	-	60,000	60,000
Dividends	10	-	-	(160,000)	(160,000)
Balance at 31 December 2015		100	459,772	-	459,872

DUFFELLS INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	29		756,524		529,470
Interest paid			(57,057)		(46,944)
Income taxes paid			(92,499)		(71,362)
Net cash inflow from operating activities			606,968		411,164
Investing activities					
Purchase of property, plant and equipment		(86,149)		(222,356)	
Proceeds on disposal of property, plant and equipment		-		100	
Proceeds from other investments and loans		297,977		(293,131)	
Net cash generated from/(used in) investing activities			211,828		(515,387)
Financing activities					
Repayment of borrowings		(661,723)		(7,591)	
Increase in financed receivables		(6,388)		386,896	
Dividends paid to equity shareholders		(160,000)		(222,222)	
Net cash (used in)/generated from financing activities			(828,111)		157,083
Net (decrease)/increase in cash and cash equivalents			(9,315)		52,860
Cash and cash equivalents at beginning of year			2,067		(50,793)
Cash and cash equivalents at end of year			(7,248)		2,067
Relating to:					
Cash at bank and in hand			1,734		6,354
Bank overdrafts included in creditors payable within one year			(8,982)		(4,287)

DUFFELLS INVESTMENTS LIMITED

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

1 Accounting policies

Company information

Duffells Investments Limited is a company limited by shares incorporated in England and Wales. The registered office is Unit 3, Commerce Park, 19 Commerce Way, Croydon, Surrey, CR0 4YL.

The group consists of Duffells Investments Limited and all of its subsidiaries.

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

Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 31 December 2015 are the first financial statements of Duffells Investments Limited and the group prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The group and company financial statements for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

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

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

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

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirement of Section 33 Related Party Disclosures paragraph 33.7

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement and related notes. The Company's profit for the year was £60,000 (2014: £222,222 profit).

DUFFELLS INVESTMENTS LIMITED

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

1 Accounting policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate those of Duffells Investments Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2015.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Going concern

After making reasonable enquiries, the board of directors consider that the group has adequate resources to continue its operations for the foreseeable future and therefore these financial statements have been prepared on a going concern basis.

Revenue

Turnover represents amounts receivable for the sale goods net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

DUFFELLS INVESTMENTS LIMITED

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

1 Accounting policies (Continued)

Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Leasehold improvements	Over lease term of 10 years
Plant and machinery	25% Reducing balance
Fixtures, fittings and equipment	25% Reducing balance
Computer equipment	20% Straight line

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

Non-current investments

In the separate accounts of the company, 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 or loss.

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

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

Cash and cash equivalents

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

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

DUFFELLS INVESTMENTS LIMITED

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

1 Accounting policies (Continued)

Basic financial assets

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

Other financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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.

Taxation

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

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

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

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

DUFFELLS INVESTMENTS LIMITED

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

1 Accounting policies (Continued)

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

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

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 non-current assets.

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

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

Retirement benefits

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

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Foreign exchange

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

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

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

Financed receivables

Trade debtors are subject to a financing agreement whereby an advance is received upon and secured against trade receivables.

Where the company had retained significant benefits and risks relating to the financed debts, separate presentation is adopted whereby the gross debts and a corresponding liability in respect of the advanced received are shown separately on the balance sheet, the interest element of the finance charge is recognised as it accrues and is included in the profit and loss account with other interest charges.

DUFFELLS INVESTMENTS LIMITED

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

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are 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.

3 Revenue

An analysis of the group's revenue is as follows:

	2015 £	2014 £
Turnover analysed by class of business		
Sale of goods	13,357,394	12,682,585

Revenue analysed by geographical market

	2015 £	2014 £
United Kingdom	13,357,394	12,682,585

4 Operating profit

	2015 £	2014 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	1,728	(1,565)
Depreciation of owned property, plant and equipment	152,302	145,767
Loss on disposal of property, plant and equipment	7,671	1,122
Amortisation of intangible assets	190,035	190,035
Cost of inventories recognised as an expense	8,779,408	8,492,581
Operating lease charges	162,761	174,439

5 Auditors' remuneration

	2015 £	2014 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	2,250	1,500
Audit of the company's subsidiaries	15,250	13,000
	17,500	14,500

DUFFELLS INVESTMENTS LIMITED

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

6 Employees

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

	2015 Number	2014 Number
Directors	3	3
Office	47	40
Warehouse	34	33
	<u>84</u>	<u>76</u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	1,925,544	1,643,040
Social security costs	149,228	142,634
Pension costs	27,693	34,185
	<u>2,102,465</u>	<u>1,819,859</u>

7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	103,964	26,399
Company pension contributions to defined contribution schemes	-	437
	<u>103,964</u>	<u>26,836</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2014 - 1).

8 Finance costs

	2015 £	2014 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	7	13
Interest on invoice finance arrangements	56,068	42,003
Interest on other loans	982	4,928
	<u>57,057</u>	<u>46,944</u>

DUFFELLS INVESTMENTS LIMITED

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

9 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	103,901	84,870
Adjustments in respect of prior periods	7,628	-
Total current tax	111,529	84,870
Deferred tax		
Origination and reversal of timing differences	(8,092)	22,842
Total tax charge	103,437	107,712

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

	2015 £	2014 £
Profit before taxation	257,956	249,577
Expected tax charge based on the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%)	52,236	53,659
Tax effect of expenses that are not deductible in determining taxable profit	42,083	44,768
Adjustments in respect of prior years	7,628	-
Other permanent differences	(18)	224
Tax at marginal rate	(122)	(1,303)
Deferred tax adjusted to average rate	(5,089)	(1,579)
Capital allowances less than depreciation	6,719	11,943
Tax expense for the year	103,437	107,712

10 Dividends

	2015 £	2014 £
Interim paid	160,000	222,222
	160,000	222,222

DUFFELLS INVESTMENTS LIMITED

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

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2015 and 31 December 2015	1,900,352
Amortisation and impairment	
At 1 January 2015	210,340
Amortisation charged for the year	190,035
At 31 December 2015	400,375
Carrying amount	
At 31 December 2015	1,499,977
At 31 December 2014	1,690,012

The company had no intangible fixed assets at 31 December 2015 or 31 December 2014.

12 Property, plant and equipment

Group	Leasehold improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost					
At 1 January 2015	311,758	252,548	102,524	299,776	966,606
Additions	1,430	16,944	6,242	61,533	86,149
Disposals	-	(6,447)	(6,451)	(10,974)	(23,872)
At 31 December 2015	313,188	263,045	102,315	350,335	1,028,883
Depreciation and impairment					
At 1 January 2015	108,288	121,718	50,569	170,834	451,409
Depreciation charged in the year	31,320	40,985	16,252	63,745	152,302
Eliminated in respect of disposals	-	(3,932)	(3,947)	(8,322)	(16,201)
At 31 December 2015	139,608	158,771	62,874	226,257	587,510
Carrying amount					
At 31 December 2015	173,580	104,274	39,441	124,078	441,373
At 31 December 2014	203,470	130,830	51,955	128,942	515,197

The company had no property, plant and equipment assets at 31 December 2015 or 31 December 2014.

DUFFELLS INVESTMENTS LIMITED

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

13 Fixed asset investments

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Investments in subsidiaries	14	-	-	2,583,360	2,583,360

Movements in non-current investments Company

Cost or valuation

At 1 January 2014 & 31 December 2014

Shares
£

2,583,360

Carrying amount

At 31 December 2015

2,583,360

At 31 December 2014

2,583,360

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect	
M. E. Duffell Limited	England	Wholesale of security products	Ordinary	100.00	

The investments in subsidiaries are stated at cost.

15 Inventories

	Group 2015 £	2014 £	Company 2015 £	2014 £
Finished goods and goods for resale	1,373,712	1,218,387	-	-

DUFFELLS INVESTMENTS LIMITED

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

16 Trade and other receivables

	Group 2015	2014	Company 2015	2014
Amounts falling due within one year:	£	£	£	£
Trade receivables	1,580,855	1,553,152	-	-
Amounts due from subsidiary undertakings	-	-	-	76,412
Other receivables	133,814	386,947	-	100
Prepayments and accrued income	94,439	86,898	-	-
	<u>1,809,108</u>	<u>2,026,997</u>	<u>-</u>	<u>76,512</u>

17 Current liabilities

	Notes	Group 2015	2014	Company 2015	2014
		£	£	£	£
Bank loans and overdrafts	20	8,982	4,287	-	-
Other borrowings	20	432,427	394,150	350,000	350,000
Trade payables		1,914,868	1,563,752	-	-
Financed receivables		1,007,324	1,013,712	-	-
Amounts due to group undertakings		-	-	723,488	-
Corporation tax		103,901	84,871	-	-
Other taxation and social security		120,915	127,823	-	-
Other payables		2,804	176	-	-
Accruals and deferred income		46,696	66,616	-	-
		<u>3,637,917</u>	<u>3,255,387</u>	<u>1,073,488</u>	<u>350,000</u>

Financed receivables totalling £1,007,324 (2014: £1,013,712), are secured by way of a fixed and floating charge over the assets of the company.

18 Non-current liabilities

	Notes	Group 2015	2014	Company 2015	2014
		£	£	£	£
Other borrowings	20	<u>1,050,000</u>	<u>1,750,000</u>	<u>1,050,000</u>	<u>1,750,000</u>

DUFFELLS INVESTMENTS LIMITED

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

19 Financial instruments

	Group 2015 £	2014 £	Company 2015 £	2014 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,714,669	1,940,099	-	76,512
Equity instruments measured at cost less impairment	-	-	2,583,360	2,583,360
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	4,463,101	4,792,693	2,123,488	2,100,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20 Borrowings

	Group 2015 £	2014 £	Company 2015 £	2014 £
Bank overdrafts	8,982	4,287	-	-
Other loans	1,482,427	2,144,150	1,400,000	2,100,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,491,409	2,148,437	1,400,000	2,100,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Payable within one year	441,409	398,437	350,000	350,000
Payable after one year	1,050,000	1,750,000	1,050,000	1,750,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Bank overdrafts of £8,982 (2014: £4,287) are secured by a debenture and a fixed and floating charge given by the group to Barclays Bank plc.

Included within other loans are loan notes totalling £1,400,000 (2014: £2,100,000) relating to the acquisition of M.E. Duffell Limited. The loan notes are redeemable by way of annual dividends to the extent that the profits are available for distribution. These loans are interest free and repayable in full by 2023.

21 Deferred taxation

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

	Liabilities 2015 £	Liabilities 2014 £
Group		
Accelerated capital allowances	46,134	54,226
	<u> </u>	<u> </u>

The company has no deferred tax assets or liabilities.

DUFFELLS INVESTMENTS LIMITED

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

21 Deferred taxation (Continued)

	Group 2015 £	Company 2015 £
Movements in the year:		
Liability at 1 January 2015	54,226	-
Charge to profit or loss	(8,092)	-
	<u>46,134</u>	<u>-</u>
Liability at 31 December 2015	<u>46,134</u>	<u>-</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

22 Retirement benefit schemes

	2015 £	2014 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	27,693	34,185
	<u>27,693</u>	<u>34,185</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

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

The company's ordinary shares carry no right to fixed income and a right to one vote at general meetings.

24 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Retained earnings

Cumulative profit and loss net of distribution to owners.

25 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its properties. Leases are negotiated for an average term of 10 years and rentals are fixed for an average of 5 years with an option to extend for a further 5 years at the prevailing market rate.

Operating lease payments represent rentals payable by the company for certain of its motor vehicles. Leases are negotiated for an average term of 3 years and rentals are fixed for the full period.

DUFFELLS INVESTMENTS LIMITED

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

25 Operating lease commitments (Continued)

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2015 £	2014 £	Company 2015 £	2014 £
Within one year	183,604	120,518	-	-
Between two and five years	549,122	371,267	-	-
	<u>732,726</u>	<u>491,785</u>	<u>-</u>	<u>-</u>

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2015 £	2014 £
Aggregate compensation	<u>114,064</u>	<u>27,305</u>

27 Directors' transactions

The directors of the company had loans during the year. The movement on these loans are as follows:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Directors' loan account	5.00	(44,150)	(963)	-	(42,818)	(2,295)
		<u>(44,150)</u>	<u>(963)</u>	<u>-</u>	<u>(42,818)</u>	<u>(2,295)</u>

28 Controlling party

The directors are considered to be the overall controlling party due to their majority shareholding.

DUFFELLS INVESTMENTS LIMITED

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

29	Cash generated from operations	2015 £	2014 £
	Profit for the year after tax	154,519	141,865
	Adjustments for:		
	Taxation charged	103,437	107,712
	Finance costs	57,057	46,944
	Loss on disposal of property, plant and equipment	7,671	1,122
	Amortisation and impairment of intangible assets	190,035	190,035
	Depreciation and impairment of property, plant and equipment	152,302	145,767
	Movements in working capital:		
	(Increase) in inventories	(155,325)	(211,196)
	(Increase)/decrease in trade and other receivables	(80,088)	27,077
	Increase in trade and other payables	326,916	80,144
	Cash generated from operations	756,524	529,470