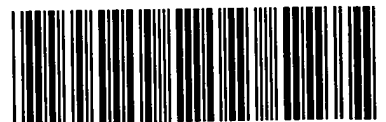


Registrar

Company Registration No. 01163485 (England and Wales)

MONODRAUGHT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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MONODRAUGHT LIMITED

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MONODRAUGHT LIMITED

COMPANY INFORMATION

Directors

S Hagelskjaer
J Rasmussen
B L Anderson
J Jensen

Secretary

H S Secretarial Limited

Company number

01163485

Registered office

Halifax House
Cressex Business Park
High Wycombe
Bucks
United Kingdom
HP12 3SE

Auditors

Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
Berkshire
United Kingdom
RG1 1YE

Business address

Halifax House,
Cressex Business Park
High Wycombe
Bucks
United Kingdom
HP12 3SE

MONODRAUGHT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report, directors' report and financial statements for the year ended 31 December 2014.

Principle activities and review of the business

The principle activity of the company continued to be design, development, sales and installation of natural ventilation, natural lighting and natural cooling products and solutions. Although 2014 continued to be a challenging year for the business with strong competition in the main markets, the directors are pleased to report another profitable year as forecast.

The Directors are confident that there will be an increase in activity and profitability in 2015.

Research and development

Substantial R&D investment was conducted in 2014 and a hybrid thermal mixing ventilation product targeted at the education market was developed and launched. This has generated significant market interest and is expected to contribute towards the result in 2015. Other substantial development investments have been made including the integration of a heat pump with the Cool-phase™ product and the enhancement of the natural lighting range. Both of these latter developments will be continued in the first half of 2015.

Principle risks and uncertainties

The main financial risk to which the company is exposed is credit risk. Standard credit control procedures are applied with regular checks on payment history and checks to ensure credit worthiness of potential customers.

The company has no third party borrowings and is therefore only exposed to minimal levels of interest rate and liquidity risk.

Analysis of key performance indicators

Key performance indicators, such as turnover and gross and net profit margin, were generally in line with the revised expectations that were set prior to the final tertiary period.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

On behalf of the board



S Hagelskjær
Director

Date: 12/5/15

MONODRAUGHT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Results and dividends

The results for the year are set out on page 6.

Nil dividends paid for 2013.

The directors do not recommend payment of an ordinary dividend.

Post balance sheet events

No significant post balance sheet events have taken place.

Future developments

The directors aim to continue the policies which have led to the company's market leadership and expect future growth.

Directors

The following directors have held office since 1 January 2014 and subsequently:

S Hagelskjaer

P Landrock

(Resigned 11 February 2014)

J Rasmussen

B L Anderson

N Hopper

(Resigned 1 August 2014)

J Jensen

(Appointed 11 February 2014)

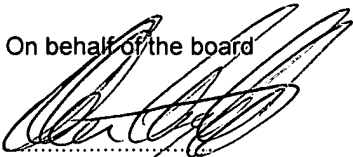
Auditors

Following the resignation of Haines Watts, Ernst & Young LLP were appointed auditors to the company and in accordance with section 385 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Statement of disclosure to auditors

So far as the directors at the date of approving this report is aware, there is no relevant audit information being information needed by the auditor in connection with preparing its report, of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



S Hagelskjaer

Director

Date: 12/5/15

MONODRAUGHT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Statement of directors' responsibilities

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONODRAUGHT LIMITED

We have audited the financial statements of Monodraught Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 21. 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).

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 Directors' Responsibilities Statement, 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 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF MONODRAUGHT 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Kevin Harkin (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Reading

Date: *18 May 15*

MONODRAUGHT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	6,919,848	7,507,688
Cost of sales		(4,076,523)	(4,235,497)
Gross profit		2,843,325	3,272,191
Administrative expenses		(3,223,414)	(3,414,265)
Other operating income		537,002	472,518
Operating profit	3	156,913	330,444
Other interest receivable and similar income	4	121	938
Interest payable and similar charges	5	(9,570)	(9,845)
Profit on ordinary activities before taxation		147,464	321,537
Tax on profit on ordinary activities	6	(12,828)	28,560
Profit for the year	15	134,636	350,097

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

There are no recognised gains and losses other than those passing through the profit and loss account.

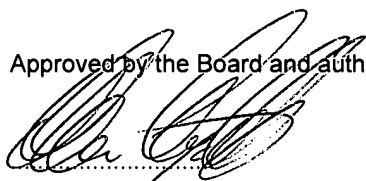
MONODRAUGHT LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Intangible assets	7	85,031		71,723	
Tangible assets	8	252,558		303,964	
			<u>337,589</u>		<u>375,687</u>
Current assets					
Stocks	9	769,278		784,424	
Debtors	10	1,642,026		1,981,540	
Cash at bank and in hand		8,197		34,054	
		<u>2,419,501</u>		<u>2,800,018</u>	
Creditors: amounts falling due within one year	11	(895,856)		(1,448,947)	
Net current assets			<u>1,523,645</u>		<u>1,351,071</u>
Total assets less current liabilities			<u>1,861,234</u>		<u>1,726,758</u>
Provisions for liabilities	12	(119,500)		(119,660)	
Net assets			<u><u>1,741,734</u></u>		<u><u>1,607,098</u></u>
Capital and reserves					
Called up share capital	14	3,000		3,000	
Profit and loss account	15	1,738,734		1,604,098	
Shareholders' funds	16	<u><u>1,741,734</u></u>		<u><u>1,607,098</u></u>	

Approved by the Board and authorised for issue on 12/5/15



S Hagelskjær
Director

Company Registration No. 01163485

MONODRAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

Fundamental accounting concept

The financial statements have been prepared on a going concern basis. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The company has not presented a statement of cash flows in accordance with Financial Reporting Standard 1 as its parent company has published a consolidated statement of cash flows, which includes the cash flows of the company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated). The accounting policies have remained unchanged from the previous year.

1.3 Income recognition

Income relating to product sales only is recognised on despatch of goods net of VAT and trade discounts.

Income arising from manufacture and installation of products is recognised based on the stage of project completion and in proportion to costs incurred. Upon successful installation and testing of the manufactured system on site, final income is recognised.

1.4 Intangible assets

Product certifications are stated at cost less accumulated impairment losses and accumulated amortisation. Product certifications are written off over their expected useful economic life.

1.5 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated impairment losses and depreciation. Depreciation is provided at the following rates in order to write off each asset over its expected useful life, as follows:

Plant and machinery	20% per annum on a straight line basis.
Fixtures, fittings & equipment	15% - 33% per annum on a straight line basis.
Motor vehicles	25% per annum on a straight line basis.

1.7 Leasing

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

1.8 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

MONODRAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

(Continued)

1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees and its directors. The assets of the scheme are held separately from those of the company. The pension costs charged in the financial statements represents the amounts payable by the company to the fund in respect of the year.

1.10 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

The deferred tax balance is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

All turnover originates from operations in the United Kingdom.

3 Operating profit

	2014 £	2013 £
Operating profit is stated after charging:		
Amortisation of intangible assets	25,251	26,840
Depreciation of tangible assets	110,356	128,245
Loss on foreign exchange transactions	3,680	-
Research and development	327,674	281,989
Operating lease rentals	201,873	185,216
Auditors' remuneration (including expenses and benefits in kind)	16,000	17,250
Non audit services	-	9,752
and after crediting:		
Profit on disposal of tangible assets	(8,194)	(6,209)

MONODRAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

4	Investment income	2014	2013
		£	£
	Bank interest	121	663
	Other interest	-	275
		<hr/>	<hr/>
		121	938
		<hr/>	<hr/>
5	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	9,570	9,526
	On overdue tax	-	319
		<hr/>	<hr/>
		9,570	9,845
		<hr/>	<hr/>

MONODRAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

6	Taxation	2014 £	2013 £
	Current year tax		
	U.K. corporation tax	3,626	39,482
	Adjustment for prior years	39,464	(75,878)
	Total current tax	43,090	(36,396)
	Deferred tax		
	Deferred tax (credit)/charge current year	(30,262)	7,836
		12,828	(28,560)
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	147,464	321,537
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2013 - 24.00%)	30,967	77,169
	Effects of:		
	Non deductible items	1,523	505
	Depreciation add back	28,477	30,779
	Capital allowances	(27,113)	(35,011)
	Profit on disposals	(1,721)	(1,490)
	Effect of change in tax rate	110	(1,270)
	Prior year tax adjustment	39,464	(75,878)
	Other tax adjustments	(28,617)	(31,200)
		12,123	(113,565)
	Current tax charge for the year	43,090	(36,396)

MONODRAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

7 Intangible fixed assets

	Product certifications and software development £
Cost	
At 1 January 2014	126,011
Additions	38,559
	<hr/>
At 31 December 2014	164,570
	<hr/>
Amortisation	
At 1 January 2014	54,288
Charge for the year	25,251
	<hr/>
At 31 December 2014	79,539
	<hr/>
Net book value	
At 31 December 2014	85,031
	<hr/>
At 31 December 2013	71,723
	<hr/>

MONODRAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

8 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2014	395,972	744,006	130,319	1,270,297
Additions	68,007	6,882	-	74,889
Disposals	-	(25,163)	(115,028)	(140,191)
At 31 December 2014	463,979	725,725	15,291	1,204,995
Depreciation				
At 1 January 2014	195,030	668,747	102,556	966,333
On disposals	-	(25,163)	(99,089)	(124,252)
Charge for the year	62,485	38,912	8,959	110,356
At 31 December 2014	257,515	682,496	12,426	952,437
Net book value				
At 31 December 2014	206,464	43,229	2,865	252,558
At 31 December 2013	200,942	75,259	27,763	303,964

9 Stocks

	2014 £	2013 £
Finished goods and goods for resale	769,278	784,424

10 Debtors

	2014 £	2013 £
Trade debtors	1,015,571	884,854
Amounts owed by parent and fellow subsidiary undertakings	143,520	421,713
Corporation tax	-	26,929
Other debtors	302,121	503,424
Prepayments and accrued income	150,712	144,620
Deferred tax asset (see note 12)	30,102	-
	1,642,026	1,981,540

MONODRAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

11 Creditors: amounts falling due within one year	2014 £	2013 £
Bank overdraft	-	596,531
Trade creditors	570,329	538,780
Amounts owed to fellow subsidiary undertakings	299	21,571
Corporation tax	21,969	-
Other taxes and social security costs	164,802	161,603
Other creditors	-	293
Accruals and deferred income	138,457	130,169
	<u>895,856</u>	<u>1,448,947</u>

12 Provisions for liabilities	Other £
Balance at 1 January 2014	119,660
Deferred tax liability	(160)
Balance at 31 December 2014	<u>119,500</u>

Other provisions are represented by a warranty provision of £89,500 (2013: £89,500) and a dilapidation provision of £30,000 (2013: £30,000). The closing warranty provision of £89,500 is after a provision utilisation in the year of £88,000 and increase of £88,000 (2013: £66,781 utilised and an increase of £22,489), and is expected to be utilised within five years. The dilapidation provision is expected to be utilised within six years.

The movement in deferred tax (included in debtors, note 10) is made up as follows:

	2014 £	2013 £
Balance at 1 January 2014	160	
Profit and loss account	(30,262)	
Balance at 31 December 2014	<u>(30,102)</u>	
	<u>2014 £</u>	<u>2013 £</u>
(Decelerated)/accelerated capital allowances	<u>(30,102)</u>	<u>160</u>

MONODRAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

13 Pension and other post-retirement benefit commitments Defined contribution

The company operates a defined contribution pension scheme for its staff and directors. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £110,962 (2013: £115,241). No contributions were payable to the fund at the period end (2013: £nil).

	2014 £	2013 £
Contributions payable by the company for the year	110,962	115,241

14 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
3,000 Ordinary shares of £1 each	3,000	3,000

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2014	1,604,098
Profit for the year	134,636
Balance at 31 December 2014	1,738,734

16 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	134,636	350,097
Opening shareholders' funds	1,607,098	1,257,001
Closing shareholders' funds	1,741,734	1,607,098

MONODRAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

17 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	7,498	8,215
Between two and five years	-	-	84,935	60,318
In over five years	154,715	154,715	-	-
	<u>154,715</u>	<u>154,715</u>	<u>92,433</u>	<u>68,533</u>

18 Directors' remuneration

	2014	2013
	£	£
Remuneration for qualifying services	64,745	169,873
Company pension contributions to defined contribution schemes	2,705	4,635
	<u>67,450</u>	<u>174,508</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2013 - 1).

MONODRAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Installation and production	15	16
Administration and sales	39	48
Directors (including non-executives)	5	6
Research and development	5	5
	<u>64</u>	<u>75</u>

Employment costs

	2014 £	2013 £
Wages and salaries	2,031,292	2,198,747
Social security costs	214,037	234,451
Other pension costs	110,962	115,241
	<u>2,356,291</u>	<u>2,548,439</u>

20 Ultimate parent company and controlling party

The immediate and ultimate parent undertaking of Monodraught Limited is VKR Holding A/S, a company incorporated in Denmark.

Consolidated accounts are produced by VKR Holding A/S and copies are available to the public from the company's registered office at Breeltevej 18, DK-2970 Hoersholm, Denmark or their website address, www.vkr-holding.com.

21 Related party relationships and transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.