

**PEKTRON PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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COMPANIES HOUSE

# **PEKTRON PLC**

## **COMPANY INFORMATION**

### **DIRECTORS**

N J Morgan  
P D Morgan  
R F Morgan  
J Morgan  
S E Morgan  
A J Morgan

### **COMPANY SECRETARY**

N J Morgan

### **REGISTERED NUMBER**

1477486

### **REGISTERED OFFICE**

Alfreton Road  
Derby  
DE21 4AP

### **INDEPENDENT AUDITORS**

Smith Cooper Limited  
Chartered Accountants & Statutory Auditors  
St Helen's House  
King Street  
Derby  
DE1 3EE

# **PEKTRON PLC**

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## **PEKTRON PLC**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **BUSINESS REVIEW**

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

Pektron plc is a supplier of electronic parts for rugged environments, with particular expertise in vehicle electronics. We also supply various consultancy and other services in engineering, aviation and other industries.

Turnover is in line with expectations. Gross profit margin is the same as the previous year and therefore gross profit has increased. Overheads have decreased resulting in an increased operating profit.

The business continues to search out and win new business in all areas, and growth in all key performance indicators is anticipated in the coming years.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

As for many businesses our size, the business environment in which we operate continues to be challenging. With these risks and uncertainties in mind though, we are aware that any plans for the future development of the business may be subject to unforeseen events outside of our control.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

We consider the key performance indicators of the business that communicate the financial performance and strength of the company are turnover, gross profit and net profit on ordinary activities before taxation.

This report was approved by the board on 20 June 2016 and signed on its behalf.

**N J Morgan**  
Director



## **PEKTRON PLC**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

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

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Group Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

The 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **PRINCIPAL ACTIVITY**

The principal activity of the group is the sale of electronic products. Pektron plc is incorporated in England and Wales.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £186,123 (2014 - £193,952).

A dividend of £Nil was paid in the year (2014: £Nil).

#### **DIRECTORS**

The directors who served during the year were:

N J Morgan  
P D Morgan  
R F Morgan  
J Morgan  
S E Morgan  
A J Morgan

#### **FUTURE DEVELOPMENTS**

The business continues to search out and win new business in all areas, however there are no likely future developments that will have a large impact on the business and its subsidiary undertaking.

## PEKTRON PLC

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 FINANCIAL INSTRUMENTS**

The group's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk and foreign exchange risk. The group has a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of finance costs and returns. The group has implemented policies that require appropriate credit checks before a sale is made. The group hedges its exposure to foreign currency fluctuations by using bank accounts denominated in dollars and euros.

### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

### **POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Group since the year end.

### **AUDITORS**

Under section 487(2) of the Companies Act 2006, Smith Cooper Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 20 June 2016 and signed on its behalf.



**N J Morgan**  
Director

## **PEKTRON PLC**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PEKTRON PLC**

We have audited the financial statements of Pektron plc for the year ended 31 December 2015, set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the 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 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 Group Strategic Report and 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 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## PEKTRON PLC

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PEKTRON PLC

#### 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.

Janet Morgan (Senior Statutory Auditor)

for and on behalf of

**Smith Cooper Limited**

Chartered Accountants

Statutory Auditors

St Helen's House

King Street

Derby

DE1 3EE

Date: 20 June 2016



**PEKTRON PLC**

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

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
Turnover	3	<b>27,998,223</b>	26,074,658
Cost of sales		<b>(27,070,819)</b>	(25,169,833)
<b>Gross profit</b>		<b>927,404</b>	904,825
Administrative expenses		<b>(672,708)</b>	(633,345)
<b>Operating profit</b>	4	<b>254,696</b>	271,480
Interest receivable and similar income	7	-	8,703
Interest payable and expenses	8	<b>(21,323)</b>	(32,572)
<b>Profit before taxation</b>		<b>233,373</b>	247,611
Tax on profit	9	<b>(47,250)</b>	(53,659)
<b>Profit for the year</b>		<b>186,123</b>	193,952
<b>Total comprehensive income for the year</b>		<b>186,123</b>	193,952
Owners of the parent Company		<b>186,123</b>	193,952
		<b>186,123</b>	193,952
Owners of the parent Company		<b>186,123</b>	193,952
		<b>186,123</b>	193,952

There were no recognised gains and losses for 2015 or 2014 other than those included in the consolidated profit and  
The notes on pages 12 to 20 form part of these financial statements.

CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	5,310,648	5,912,367
Cash at bank and in hand	13	67,907	67,048
		<u>5,378,555</u>	<u>5,979,415</u>
Creditors: amounts falling due within one year	14	(4,781,141)	(5,568,124)
<b>Net current assets</b>		<u>597,414</u>	<u>411,291</u>
<b>Total assets less current liabilities</b>		<u>597,414</u>	<u>411,291</u>
<b>Net assets</b>		<u>597,414</u>	<u>411,291</u>
<b>Capital and reserves</b>			
Called up share capital	16	50,000	50,000
Profit and loss account	15	547,414	361,291
<b>Equity attributable to owners of the parent Company</b>		<u>597,414</u>	<u>411,291</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
20 June 2016



N J Morgan  
Director

The notes on pages 12 to 20 form part of these financial statements.

COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Investments	11	100	100
		<u>100</u>	<u>100</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	5,227,212	5,785,644
Cash at bank and in hand	13	9,352	10,048
		<u>5,236,564</u>	<u>5,795,692</u>
Creditors: amounts falling due within one year	14	(4,737,679)	(5,523,544)
<b>Net current assets</b>		<u>498,885</u>	<u>272,148</u>
<b>Total assets less current liabilities</b>		<u>498,985</u>	<u>272,248</u>
<b>Net assets</b>		<u>498,985</u>	<u>272,248</u>
<b>Capital and reserves</b>			
Called up share capital	16	50,000	50,000
Profit and loss account	15	448,985	222,248
		<u>498,985</u>	<u>272,248</u>

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

20 June 2016

N J Morgan  
Director



**PEKTRON PLC**

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

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	50,000	361,291	411,291
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	186,123	186,123
<b>AT 31 DECEMBER 2015</b>	<b>50,000</b>	<b>547,414</b>	<b>597,414</b>

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

	Share capital £	Retained earnings £	Total equity £
At 1 January 2014	50,000	167,339	217,339
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	193,952	193,952
<b>AT 31 DECEMBER 2014</b>	<b>50,000</b>	<b>361,291</b>	<b>411,291</b>

The notes on pages 12 to 20 form part of these financial statements.

**PEKTRON PLC**

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

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	50,000	222,248	272,248
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	226,737	226,737
	<hr/>	<hr/>	<hr/>
<b>AT 31 DECEMBER 2015</b>	<b>50,000</b>	<b>448,985</b>	<b>498,985</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	Share capital £	Retained earnings £	Total equity £
At 1 January 2014	50,000	29,456	79,456
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	192,792	192,792
	<hr/>	<hr/>	<hr/>
<b>AT 31 DECEMBER 2014</b>	<b>50,000</b>	<b>222,248</b>	<b>272,248</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 20 form part of these financial statements.

**PEKTRON PLC**

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

	2015 £	2014 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	186,123	193,952
<b>Adjustments for:</b>		
Interest paid	21,323	32,572
Interest received	-	(8,703)
Taxation	58,386	53,659
Increase in debtors	601,721	1,183,444
Increase in creditors	(829,472)	(2,304,032)
Corporation tax	(59,763)	(128,824)
<b>Net cash generated from operating activities</b>	<u>(21,682)</u>	<u>(977,932)</u>
<b>Cash flows from investing activities</b>		
Interest received	-	8,703
<b>Net cash from investing activities</b>	<u>-</u>	<u>8,703</u>
<b>Cash flows from financing activities</b>		
Interest paid	(21,323)	(32,572)
<b>Net cash used in financing activities</b>	<u>(21,323)</u>	<u>(32,572)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>(43,005)</u>	<u>(1,001,801)</u>
Cash and cash equivalents at beginning of year	67,048	1,068,849
<b>Cash and cash equivalents at the end of year</b>	<u><u>24,043</u></u>	<u><u>67,048</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	67,907	67,048
	<u><u>67,907</u></u>	<u><u>67,048</u></u>

The notes on pages 12 to 20 form part of these financial statements.

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

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

Information on the impact of first-time adoption of FRS 102 is given in note 20.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

**1.2 Basis of consolidation**

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

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

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.3 Revenue**

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

**Sale of goods**

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

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

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

**1.4 Valuation of investments**

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

**1.5 Debtors**

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

**1.6 Cash and cash equivalents**

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

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



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

**1. ACCOUNTING POLICIES (continued)**

**1.7 Financial instruments**

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**1.8 Creditors**

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

**1.9 Foreign currency translation**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

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

**1.10 Finance costs**

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**1.11 Interest income**

Interest income is recognised in the Profit and Loss Account using the effective interest method.

**1.12 Taxation**

Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.13 Share capital**

Financial instruments issued by the company are treated as equity only to the extent that they do not meet the definition of a financial liability. The company's ordinary shares are classified as equity instruments. Incremental costs are directly attributable to the issue of new shares are shown in share premium as a deduction from proceeds.

**1.14 Dividends**

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when they are paid. In the case of final dividends, this is when they are approved by the shareholders.

**2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

No instances of estimation uncertainty or significant judgements arise in the preparation of the financial statements.

**3. ANALYSIS OF TURNOVER**

An analysis of turnover by class of business is as follows:

	2015 £	2014 £
Sale of electronic products	<b>27,998,223</b>	26,074,658

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	<b>20,254,178</b>	19,158,638
Rest of Europe	<b>3,134,038</b>	4,187,620
Rest of the world	<b>4,610,007</b>	2,728,400
	<b>27,998,223</b>	26,074,658

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

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2015 £	2014 £
Fees payable to the Group's auditor and its associates for the audit of the company's annual accounts	7,700	8,763
Exchange differences	<u>(1,581)</u>	<u>10,867</u>

During the year, no director received any emoluments (2014 - £NIL).

**5. AUDITORS' REMUNERATION**

	2015 £	2014 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	5,500	5,500
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Other services relating to taxation	<u>1,950</u>	<u>1,950</u>

**6. EMPLOYEES**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	114,116	111,520
Social security costs	9,519	13,212
	<u>123,635</u>	<u>124,732</u>

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

	2015 No.	2014 No.
Management and administration	<u>2</u>	<u>2</u>

**7. INTEREST RECEIVABLE**

	2015 £	2014 £
Other interest receivable	<u>-</u>	<u>8,703</u>

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

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	2015 £	2014 £
Directors' loan interest payable	<u>21,323</u>	<u>32,572</u>

**9. TAXATION**

	2015 £	2014 £
<b>Corporation tax</b>		
Current tax on profits for the year	47,250	53,364
Adjustments in respect of previous periods	-	295
<b>Total current tax</b>	<u>47,250</u>	<u>53,659</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is the same as (2014 - higher than) the standard rate of corporation tax in the UK of 20.2466% (2014 - 21.4837%. The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>233,373</u>	<u>247,611</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.2466% (2014 - 21.4837%)	47,250	53,196
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	238
Adjustments to tax charge in respect of prior periods	-	225
<b>Total tax charge for the year</b>	<u>47,250</u>	<u>53,659</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**10. PARENT COMPANY PROFIT FOR THE YEAR**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £226,737 (2014 - £192,791).

# PEKTRON PLC

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

### 11. FIXED ASSET INVESTMENTS SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Contrail Flight Services Limited	England and Wales	Ordinary	100 %	Provision of aircraft management services and crews for aircrafts.

#### Company

	Investments in Subsidiary Companies £
Cost or valuation	
At 31 December 2015	100
At 31 December 2014	100

### 12. DEBTORS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	4,767,038	5,463,649	4,738,359	5,416,207
Other debtors	543,610	322,058	488,853	242,777
Prepayments and accrued income	-	126,660	-	126,660
	<u>5,310,648</u>	<u>5,912,367</u>	<u>5,227,212</u>	<u>5,785,644</u>

### 13. CASH AND CASH EQUIVALENTS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Cash at bank and in hand	<u>67,907</u>	<u>67,048</u>	<u>9,352</u>	<u>10,048</u>

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

**14. CREDITORS: Amounts falling due within one year**

	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Company 2015 £</b>	<b>Company 2014 £</b>
Trade creditors	2,515	-	1,472	-
Corporation tax	10,258	22,771	10,257	22,407
Taxation and social security	9,568	9,967	-	-
Other creditors	4,640,763	5,080,967	4,640,763	5,080,968
Accruals and deferred income	118,037	454,419	85,187	420,169
	<u>4,781,141</u>	<u>5,568,124</u>	<u>4,737,679</u>	<u>5,523,544</u>

**15. RESERVES**

**Profit & loss account**

Includes all current and prior period retained profits and losses. There are no restrictions on distributable reserves.

**16. SHARE CAPITAL**

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

**17. CONTINGENT LIABILITIES**

An unlimited guarantee exists between the company and Pektron Group Limited with regard to bank borrowings.

**18. RELATED PARTY TRANSACTIONS**

At 31 December 2015, there were amounts of £504,404 due to the directors (2014: £845,568). These amounts are unsecured and have no fixed date for repayment. Interest is charged at 3% on all amounts outstanding.

During the year the group purchased goods to a value of £26,945,948 (2014: £24,994,75) and incurred management charges of £472,000 (2014: £400,000) from a company under common control.

An amount of £4,096,359 (2014: £4,200,396) was owed to a company under common control as at 31 December 2015.

During the year the group received commissions and recharges of £35,632 (2014: £36,725) from a company under common control. There was an amount of £Nil (2014: £1,829) outstanding at the year end.

**PEKTRON PLC**

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**19. CONTROLLING PARTY**

The company is controlled by N J Morgan, P D Morgan and R F Morgan.

**20. FIRST TIME ADOPTION OF FRS 102**

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