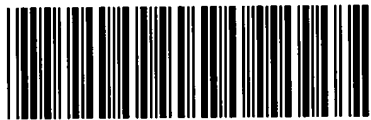


COMPANY REGISTRATION NUMBER: 02057417

**Felix Engineering Limited**  
**Financial Statements**  
**31 December 2016**

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# **Felix Engineering Limited**

## **Financial Statements**

**Year ended 31 December 2016**

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# Felix Engineering Limited

## Strategic Report

Year ended 31 December 2016

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### Business review and future developments

The company manufactures and sells motor yachts to its immediate parent undertaking Princess Yachts International plc. The results of the company show profit on ordinary activities before taxation of £0.95m (2015: £1.29m) on turnover of £19.22m (2015: £23.33m). This equates to a margin of 4.9% (2015: 5.5%). The board considers this to be a reasonable performance, having been achieved in an increasingly competitive and demanding marketplace. Net assets of the company at 31 December 2016 totalled £4.88m (2015: £4.38m), a £0.50m increase over the corresponding position last year. The director expects that the future development of the business will consist of continuing to develop new or improved yacht models for the market.

### Key performance indicators

The ongoing financial performance and financial position of the company are monitored with reference to a series of key performance indicators which focus on the company's turnover and gross profit. These are monitored and approved by the directors and were reviewed at regular meetings of the board held during the year under review. The gross margin achieved in 2016 was 6.7% (2015: 6.9%).

### Principal risks and uncertainties

The business is subject to a number of risks, with the principal area of risk and uncertainty relating to the economic conditions prevailing in world markets. To counter this, the company continues to invest heavily in new product development throughout its range of motor yachts to increase the range for potential clients across the world. In addition, the company continues to review its cost base to ensure it is appropriate to the level of activity, together with continuing to pursue new market opportunities as they arise.

The company's operations expose it to a variety of financial risks, including the effects of credit risk, liquidity risk, exchange rate and interest rate risk. The policies in place to mitigate the potential impact of these financial risks are as follows:

#### Credit and liquidity risk:

As all sales are made to the company's immediate parent, Princess Yachts International plc, the company itself bears low risk in regard to credit and liquidity risk. At Princess Yachts International plc, where appropriate, credit checks are made prior to the appointment of a new distributor and these are reviewed on a periodic basis together with ongoing checks in respect of existing distributors. Weekly reviews of the debtors' ledger are carried out with the finance and sales teams and action initiated, as appropriate, to collect any overdue amounts, thus optimising the company's liquidity position.

#### Exchange rate risk:

A proportion of the material cost is purchased in a currency other than sterling. In order to manage potential fluctuations in the exchange rate, a continuing programme of forward currency purchasing is in place and this is monitored on a monthly basis.

#### Interest rate risk:

The rate of interest earned on the company's cash balances is monitored on an ongoing basis by continuing review of rates available in the market. Deposits are made with reference to these rates, in conjunction with projections of future cash requirements.

# Felix Engineering Limited

## Strategic Report *(continued)*

**Year ended 31 December 2016**

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This report was approved by the board of directors on 21 June 2017 and signed on behalf of the board by:



Mr C J Gates  
Director

Registered office:  
Newport Street  
Plymouth  
Devon  
PL1 3QG

# **Felix Engineering Limited**

## **Directors' Report**

### **Year ended 31 December 2016**

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The directors present their report and the financial statements of the company for the year ended 31 December 2016.

#### **Incorporation**

Felix Engineering Limited is a limited company incorporated in England, registered Number 02057417. The registered office is Newport Street, Plymouth, Devon, PL1 3QG.

#### **Directors**

The directors who served the company during the year and up to the date of approval of the financial statements was as follows:

Mr C G Gates  
Mr A R Bratt (appointed 23 March 2017)

#### **Dividends**

The results for the year are given on page 7. No dividends were paid in the year (2015: £nil). No final dividend has been proposed by the directors (2015: nil).

#### **Future developments and risk management**

Included within Strategic Report.

#### **Research and development**

Continuing investment in the development of new motor yachts is integral to the future success of the business and the company continues to maintain an active product development programme through its immediate parent company, Princess Yachts International plc.

#### **Qualifying indemnity provision**

During the year and up to the date of approval of the financial statements the company had in force an indemnity provision in favour of one or more directors of Felix Engineering Limited, against liability in respect of proceedings brought by third parties, subject to conditions set out in section 234 of the Companies Act 2006.

#### **Directors' responsibilities statement**

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, comprising FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 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;
  - state whether applicable United Kingdom Accounting Standards, comprising FRS102, have been
-

# Felix Engineering Limited

## Directors' Report *(continued)*

### Year ended 31 December 2016

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followed, subject to any material departures disclosed and explained in the financial statements;

- make judgments 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 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.

#### Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

This report was approved by the board of directors on 21 June 2017 and signed on behalf of the board by:



Mr C J Gates  
Director

# **Report on the financial statements**

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## **Our opinion**

In our opinion, Felix Engineering Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.
- 

## **What we have audited**

The financial statements, included within the Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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## **Opinions on other matters prescribed by the Companies Act 2006**

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In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

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## **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the directors**

As explained more fully 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

*Heather Ancient*

Heather Ancient (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Plymouth  
27 June 2017

**Felix Engineering Limited**  
**Statement of Comprehensive Income**  
**Year ended 31 December 2016**

	Note	2016 £000	2015 £000
<b>Turnover</b>	<b>3</b>	19,217	23,329
Cost of sales		(17,937)	(21,717)
<b>Gross profit</b>		<u>1,280</u>	<u>1,612</u>
Administrative expenses		(331)	(322)
<b>Operating profit</b>	<b>4</b>	<u>949</u>	<u>1,290</u>
<b>Profit on ordinary activities before taxation</b>		<u>949</u>	<u>1,290</u>
Tax on profit on ordinary activities	<b>6</b>	(195)	(277)
<b>Profit for the financial year</b>		<u><u>754</u></u>	<u><u>1,013</u></u>
Excess payment for group relief		(258)	(502)
<b>Total comprehensive income for the year</b>		<u><u>496</u></u>	<u><u>511</u></u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 17 form part of these financial statements.

# Felix Engineering Limited

## Statement of Financial Position

31 December 2016

	Note	2016 £000	2015 £000
<b>Fixed assets</b>			
Tangible assets	7	383	425
<b>Current assets</b>			
Stocks	8	3,019	2,099
Debtors	9	4,297	5,054
Cash at bank and in hand		181	43
		<u>7,497</u>	<u>7,196</u>
<b>Creditors: amounts falling due within one year</b>	10	(2,645)	(2,391)
<b>Net current assets</b>		<u>4,852</u>	<u>4,805</u>
<b>Total assets less current liabilities</b>		5,235	5,230
<b>Provisions for liabilities</b>	12	(359)	(850)
<b>Net assets</b>		<u>4,876</u>	<u>4,380</u>
<b>Capital and reserves</b>			
Profit and loss account	15	4,876	4,380
<b>Total shareholders' funds</b>		<u>4,876</u>	<u>4,380</u>

The financial statements on pages 7 to 17 were approved by the board of directors and authorised for issue on 21 June 2017, and are signed on behalf of the board by:



Mr C J Gates  
Director

Company registration number: 02057417

The notes on pages 10 to 17 form part of these financial statements.

**Felix Engineering Limited**  
**Statement of Changes in Equity**  
**Year ended 31 December 2016**

---

	Profit and loss account £000
<b>At 1 January 2015</b>	3,869
Profit for the year	1,013
Other comprehensive income for the year:	
Excess payment for group relief	(502)
<b>Total comprehensive income for the year</b>	511
<b>At 31 December 2015</b>	4,380
Profit for the year	754
Other comprehensive income for the year:	
Excess payment for group relief	(258)
<b>Total comprehensive income for the year</b>	496
<b>At 31 December 2016</b>	<u>4,876</u>

---

The notes on pages 10 to 17 form part of these financial statements.

# Felix Engineering Limited

## Notes to the Financial Statements

Year ended 31 December 2016

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### 1. Statement of compliance

The individual financial statements have been prepared in compliance with FRS 102 and the Companies Act 2006. The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

### 2. Accounting policies

#### Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

#### Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of RNO Limited which are publicly available. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

#### Critical accounting judgements and estimation uncertainty

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

##### (i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of the property plant and equipment, and policy Tangible fixed assets and depreciation for the useful economic lives for each class of assets.

##### (ii) Stock provisioning

The company manufactures luxury motor yachts and is subject to changing consumer demands and fashion trends. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the age of raw materials. See note 8 for the net carrying amount of the stock and account policy, Inventories for provision.

# Felix Engineering Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

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### **Critical accounting judgements and estimation uncertainty *(continued)***

#### **(iii) Provisions (note 12)**

Provision is made for asset retirement obligations, dilapidations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

### **Tax, including deferred tax**

The tax expense represents the sum of current tax expense and deferred tax expense. Current tax expense is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Group relief is claimed from other group companies in respect of their losses, to offset taxable profits in this company. £0.50 is paid for each £1 of tax losses surrendered across the group. As this payment is in excess of the expected amount payable (equating to the tax rate for the year of 21.49%), any amount above this level is taken direct to reserves through the Statement of Comprehensive Income.

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. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the 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 an undiscounted basis.

### **Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable and represents the invoiced value of goods, net of value added tax and discounts. Turnover from the sale of goods is recognised when the significant risks and benefits of product ownership transfer to the buyer (usually when the yacht has been fully paid for), which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms.

### **Operating leases**

Leases that do not transfer all risks and rewards of ownership are classified as operating leases.

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

# Felix Engineering Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

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### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets is their historic purchase cost, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight-line basis, over the expected useful economic lives of the assets concerned. The principal economic lives for this purpose are:

Motor vehicles	4 years
Plant and machinery	4 to 7 years

### **Stock and work in progress**

Stocks are stated at the lower of cost and net realisable value with due allowance being made for obsolete and slow moving items. Raw materials are stated at cost on a average cost basis. Work in progress is stated at the accumulated cost of material, labour and an appropriate allocation of production overheads.

At the end of each reporting period inventories are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

### **Foreign currencies**

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

### **Research and development costs**

These costs are written off to the profit and loss account as incurred.

### **Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular:

- (i) Provision is made for warranty costs that are estimated to arise in relation to boats sold.

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

- (ii) Provision is not made for future operating losses.

# Felix Engineering Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

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### Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

#### (i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

#### (ii) Defined contribution pension plans

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

#### (iii) Defined benefit pension plan

The company participates in a defined benefit pension scheme, operated by Princess Yachts International Plc. The assets of the scheme are held separately from those of the company. The scheme was closed to new entrants, and accrual of future benefits for all existing members ceased, on 31 May 2003. At the last triennial valuation on 6 April 2016 the value of the scheme's assets was £53,900,000 which was sufficient to cover 85% of the benefits accrued at that date. It is not possible to identify the share of the underlying assets and liabilities in this scheme that are attributable to the company on a consistent and reasonable basis as the scheme is managed for the Princess Yachts International plc group as a whole. The company has therefore applied the provisions of FRS 102 to account for the scheme as if it were a defined contribution scheme. Full details of the FRS 102 disclosures, prepared using the projected unit method, are shown in the financial statements of Princess Yachts International plc. In defined contribution schemes the amount charged to the profit and loss account in respect of pensions and other post-retirement benefits 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 in the balance sheet. During the year, contributions of £48,000 (2015: £48,000) were made by the company.

### 3. Turnover

All turnover and trading results are derived from boat manufacturing. All motor yachts are manufactured by the company in the UK and sold to Princess Yachts International plc. There were no exports in the year.

### 4. Operating profit

Operating profit is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible assets	130	128
Research and development expenditure written off	26	502
Operating lease rentals	10	18
Defined contribution plans expense	48	48
Fees payable for the audit of the financial statements	12	12
Rents payable to immediate parent company	468	468

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# Felix Engineering Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

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### 5. Staff costs

The monthly average number of persons employed by the company during the year, including the directors, amounted to:

	<b>2016</b> <b>No.</b>	<b>2015</b> <b>No.</b>
Production staff	175	193
Administrative staff	18	20
	<u>193</u>	<u>213</u>

Directors' emoluments are paid via the parent company.

The aggregate payroll costs incurred during the year, relating to the above, were:

	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
Wages and salaries	4,439	4,552
Social security costs	388	390
Other pension costs	48	48
	<u>4,875</u>	<u>4,990</u>

### 6. Tax on profit on ordinary activities

#### Major components of tax expense

	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
<b>Current tax:</b>		
Payment in respect of group relief	172	341
Origination and reversal of timing differences	20	(78)
Change in tax rate	3	14
Total current tax	<u>195</u>	<u>277</u>
<b>Tax on profit on ordinary activities</b>	<u>195</u>	<u>277</u>

# Felix Engineering Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

### 6. Tax on profit on ordinary activities *(continued)*

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016 £000	2015 £000
Profit on ordinary activities before taxation	949	1,290
Profit on ordinary activities by rate of tax	190	261
Effect of expenses not deductible for tax purposes	2	2
Change in tax rate	3	14
Tax on profit on ordinary activities	195	277

### 7. Tangible assets

	Plant and machinery £000	Motor vehicles £000	Total £000
<b>Cost</b>			
At 1 January 2016	1,461	–	1,461
Additions	79	9	88
<b>At 31 December 2016</b>	<b>1,540</b>	<b>9</b>	<b>1,549</b>
<b>Depreciation</b>			
At 1 January 2016	1,036	–	1,036
Charge for the year	129	1	130
<b>At 31 December 2016</b>	<b>1,165</b>	<b>1</b>	<b>1,166</b>
<b>Carrying amount</b>			
<b>At 31 December 2016</b>	<b>375</b>	<b>8</b>	<b>383</b>
At 31 December 2015	425	–	425

### 8. Stocks

	2016 £000	2015 £000
Raw materials and consumables	1,529	1,144
Work in progress	1,490	955
	<b>3,019</b>	<b>2,099</b>

Stocks recognised as an expense in the period were £11,272,000 (2015 - £13,602,000).

# Felix Engineering Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

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### 9. Debtors

	2016 £000	2015 £000
Amounts owed by group undertakings	4,186	4,120
Deferred tax asset	90	113
Prepayments and accrued income	20	762
Corporation tax repayable	—	58
Other debtors	1	1
	<u>4,297</u>	<u>5,054</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 10. Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	2,062	2,096
Accruals and deferred income	323	101
Social security and other taxes	173	123
Other creditors	87	71
	<u>2,645</u>	<u>2,391</u>

### 11. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016 £000	2015 £000
Included in debtors (note 9)	<u>90</u>	<u>113</u>

### 12. Provisions for liabilities

	Warranties £000
At 1 January 2016	850
Release in year	(491)
At 31 December 2016	<u>359</u>

### 13. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £48,000 (2015: £48,000).

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# Felix Engineering Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

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### 14. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£000	No.	£000
Ordinary shares of £1 each	<u>2</u>	<u>–</u>	<u>2</u>	<u>–</u>

### 15. Reserves

Called-up share capital - represents the nominal value of shares that have been issued.

Revaluation reserve - records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Profit and loss account - includes all current and prior year retained profits and losses.

### 16. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£000	£000
Not later than 1 year	10	18
Later than 1 year and not later than 5 years	17	16
	<u>27</u>	<u>34</u>

### 17. Related party transactions

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the group.

### 18. Controlling party

The company's immediate parent undertaking is Princess Yachts International Plc, registered in England. The smallest company into which Felix Engineering Limited is consolidated is RNO Limited and its financial statements are filed at the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The largest group for which consolidated financial statements are prepared is the ultimate parent undertaking, RNO Group SCA, a company incorporated in Luxembourg. These financial statements are not filed. The ultimate controlling party is L'Catterton Europe S.A.S.