

Registered number: 03970100

Companies House copy

ACTIVITY (UK) LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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ACTIVIDENTITY (UK) LIMITED

COMPANY INFORMATION

DIRECTORS

A M Ball (resigned 19 September 2016)
D R Hebert (resigned 2 September 2015)
R S Widing (appointed 2 September 2015)
L Crumley (appointed 19 September 2016)
R Glass (appointed 19 September 2016)

REGISTERED NUMBER

03970100

REGISTERED OFFICE

Eighth Floor
6 New Street Square
London
EC4A 3AQ

INDEPENDENT AUDITOR

Rawlinson & Hunter Audit LLP
Chartered Accountants & Statutory Auditor
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

ACTIVITY (UK) LIMITED

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ACTIVITY (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements of Activity (UK) Limited ("the company") for the year ended 31 December 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 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 for the company financial statements and then apply them consistently;
- make judgments 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; and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was the provision of sales, marketing, technical and development support services to group undertakings.

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements were:

A M Ball (resigned 19 September 2016)
D R Hebert (resigned 2 September 2015)
R S Widing (appointed 2 September 2015)
L Crumley (appointed 19 September 2016)
R Glass (appointed 19 September 2016)

ACTIVITY (UK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015**

DISCLOSURE OF INFORMATION TO AUDITOR

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's auditor is 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's auditor is aware of that information.

AUDITOR

Under section 487(2) of the Companies Act 2006, Rawlinson & Hunter Audit LLP will be deemed to have been reappointed as auditor 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.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



R S Widing
Director

Date: **30 SEP 2016**

ACTIVITY (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVITY (UK) LIMITED

We have audited the financial statements of Activity (UK) Limited ("the company") for the year ended 31 December 2015, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement on page 1, 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 Financial Reporting Council'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 and Financial Statements 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 2015 and of its loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ACTIVITY (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVITY (UK) 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Rawlinson & Hunter Audit LLP

Kulwam Nagra (Senior Statutory Auditor)

for and on behalf of

Rawlinson & Hunter Audit LLP

Chartered Accountants

Statutory Auditor

Eighth Floor

6 New Street Square

New Fetter Lane

London

EC4A 3AQ

Date: *30 September 2016*

ACTIVITYENTITY (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
TURNOVER	2,4	2,550,346	2,409,113
Administrative expenses		(2,374,988)	(2,263,869)
OPERATING PROFIT	5	175,358	145,244
Interest payable and similar charges	7	(260,607)	(224,269)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(85,249)	(79,025)
Tax charge on loss on ordinary activities	8	(35,784)	(33,575)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(121,033)	(112,600)

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

The notes on pages 8 to 19 form part of these financial statements.

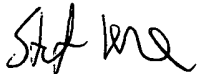
ACTIVITY (UK) LIMITED
REGISTERED NUMBER: 03970100

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	£	2015 £	As restated * 2014 £
FIXED ASSETS				
Tangible assets	9		6,965	3,875
			<u>6,965</u>	<u>3,875</u>
CURRENT ASSETS				
Debtors: amounts falling due within one year	10	1,830,177		109,047
Creditors: amounts falling due within one year	11	(3,108,353)		(2,948,100)
NET CURRENT LIABILITIES			<u>(1,278,176)</u>	<u>(2,839,053)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,271,211)</u>	<u>(2,835,178)</u>
Creditors: amounts falling due after more than one year	12		(3,000,000)	(8,000,000)
NET LIABILITIES			<u><u>(4,271,211)</u></u>	<u><u>(10,835,178)</u></u>
CAPITAL AND RESERVES				
Called up share capital	15		6,686,212	1,212
Profit and loss account	16		(10,957,423)	(10,836,390)
SHAREHOLDER' DEFICIT			<u><u>(4,271,211)</u></u>	<u><u>(10,835,178)</u></u>

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

30 SEP 2016



R S Widing
Director

* Refer Note 12 for details of the restatement

The notes on pages 8 to 19 form part of these financial statements.

ACTIVITY (UK) LIMITED

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2015	1,212	(10,836,390)	(10,835,178)
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(121,033)	(121,033)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(121,033)	(121,033)
Shares issued during the year	6,685,000	-	6,685,000
TOTAL TRANSACTIONS WITH OWNERS	6,685,000	-	6,685,000
AT 31 DECEMBER 2015	<u>6,686,212</u>	<u>(10,957,423)</u>	<u>(4,271,211)</u>

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2014	1,212	(10,723,790)	(10,722,578)
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(112,600)	(112,600)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(112,600)	(112,600)
AT 31 DECEMBER 2014	<u>1,212</u>	<u>(10,836,390)</u>	<u>(10,835,178)</u>

The notes on pages 8 to 19 form part of these financial statements.

ACTIVITY (UK) LIMITED

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

1. GENERAL INFORMATION

Activity (UK) Limited ("the company") is a private company and is incorporated and domiciled in the United Kingdom. The address of its registered office is Eighth Floor, 6 New Street Square, London, EC4A 3AQ.

2. ACCOUNTING POLICIES

2.1 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 UK 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 management to exercise judgment in applying the company's accounting policies (see Note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes the continued support of the immediate parent undertaking, Hanchett Entry Systems, Inc. (see Note 19). The directors have received assurances that this support will be available for a period of at least 12 months from the date of approval of these financial statements. The directors have also received assurances that repayment of monies detailed in Note 12 due to related undertakings will not be demanded within a period of at least 12 months from the date of the approval of these financial statements. They therefore consider it appropriate to adopt the going concern basis in preparing the financial statements.

2.3 Cash flow

The company, being a subsidiary undertaking whose group consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 102.

2.4 Turnover

Turnover comprises revenue recognised by the company in respect of sales, marketing, technical and development support services supplied to group undertakings during the year, exclusive of Value Added Tax.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ACTIVIDENTITY (UK) LIMITED

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

2. ACCOUNTING POLICIES (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Furniture, fittings and equipment- 25% to 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

2.6 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.

2.7 Financial instruments

The company 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.8 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.

ACTIVIDENTITY (UK) LIMITED

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

2. ACCOUNTING POLICIES (continued)

2.9 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.

2.10 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.

2.11 Pensions

Defined contribution pension plan

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 payments obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.12 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.13 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

ACTIVITY (UK) LIMITED

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

2. ACCOUNTING POLICIES (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

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

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

There are no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the financial statements.

ACTIVITY (UK) LIMITED

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

4. TURNOVER

The whole of the turnover and loss before taxation is attributable to sales, marketing, technical and development support services provided to group undertakings.

Analysis of turnover by country of destination:

	2015 £	2014 £
Rest of Europe	2,550,346	2,409,113
	<u>2,550,346</u>	<u>2,409,113</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	5,828	3,651
Fees payable to the company's auditor for the audit of the company's annual financial statements	11,000	10,000
	<u>11,000</u>	<u>10,000</u>

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

6. EMPLOYEES

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,124,891	1,147,000
Social security costs	137,249	141,361
Cost of defined contribution scheme (Note 17)	30,487	32,042
	<u>1,292,627</u>	<u>1,320,403</u>

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

	2015 No.	2014 No.
Operations	10	11
Administration	3	3
	<u>13</u>	<u>14</u>

ACTIVITY (UK) LIMITED

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

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Bank interest payable	10,858	16,155
Loans from group undertakings	249,749	208,114
	<u>260,607</u>	<u>224,269</u>

8. TAXATION

	2015 £	2014 £
CORPORATION TAX		
Current tax on loss for the year	36,684	33,535
Adjustments in respect of previous periods	(870)	-
	<u>35,814</u>	<u>33,535</u>
TOTAL CURRENT TAX	<u>35,814</u>	<u>33,535</u>
DEFERRED TAX		
Origination and reversal of timing differences	(203)	40
Changes to tax rates	173	-
	<u>(30)</u>	<u>40</u>
TOTAL DEFERRED TAX (NOTE 14)	<u>(30)</u>	<u>40</u>
TAXATION ON LOSS ON ORDINARY ACTIVITIES	<u>35,784</u>	<u>33,575</u>

ACTIVITY (UK) LIMITED

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

8. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2014 - *higher than*) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below:

	2015 £	2014 £
Loss on ordinary activities before tax	(85,249)	(79,025)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	(17,263)	(16,990)
EFFECTS OF:		
Expenses not deductible for tax purposes	53,744	50,565
Adjustments to tax charge in respect of prior periods	(870)	-
Difference in tax rates ¹	173	-
TOTAL TAX CHARGE FOR THE YEAR	35,784	33,575

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Other than the deferred tax asset shown in Note 10, there were no factors that may materially affect future tax charges.

ACTIVITY (UK) LIMITED

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

9. TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £
COST OR VALUATION	
At 1 January 2015	15,129
Additions	8,918
At 31 December 2015	<u>24,047</u>
DEPRECIATION	
At 1 January 2015	11,254
Charge owned for the period	5,828
At 31 December 2015	<u>17,082</u>
NET BOOK VALUE	
At 31 December 2015	<u>6,965</u>
At 31 December 2014	<u>3,875</u>

10. DEBTORS

	2015 £	2014 £
Amounts owed by group undertakings	1,626,886	-
Other debtors	141,098	75,471
Prepayments and accrued income	58,520	29,933
Deferred taxation (Note 14)	3,673	3,643
	<u>1,830,177</u>	<u>109,047</u>

Included within amounts owed by group undertakings is £1,616,572 (2014 - £Nil) due from HID Global SAS, a fellow subsidiary undertaking. This amount is unsecured, interest free and repayable on demand.

ACTIVITY (UK) LIMITED

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

11. CREDITORS: Amounts falling due within one year

	2015	As restated* 2014
	£	£
Bank overdrafts	553,847	520,758
Trade creditors	6,374	7,820
Amounts owed to group undertakings	2,334,316	2,121,833
Corporation tax	36,961	33,535
Accruals and deferred income	176,855	264,154
	<u>3,108,353</u>	<u>2,948,100</u>

ASSA ABLOY Financial Services AB ("AAFS"), a fellow subsidiary undertaking, has a banking arrangement with Skandinaviska Enskilda Banken AB ("SEB") under which an overdraft facility is available to the company.

The bank overdraft of £553,847 (2014 - £520,758) represents an amount owed to SEB by AAFS, on behalf of the company, under AAFS's group banking arrangement with SEB.

Amounts owed to group undertakings consist of £90,314 (2014 - £54,907) due to ASSA ABLOY AB, the ultimate parent undertaking, £121,741 (2014 - £94,927) due to HID Corporation Limited, a fellow subsidiary undertaking and £2,122,261 (2014 - £1,971,999) due to Activity (UK) Ltd, the immediate parent undertaking until 7 September 2015. These amounts are unsecured, interest free and repayable on demand.

12. CREDITORS: Amounts falling due after more than one year

	2015	As restated* 2014
	£	£
Amounts owed to group undertakings	3,000,000	8,000,000
	<u>3,000,000</u>	<u>8,000,000</u>

£3,000,000 (2014 - £8,000,000) is due to ASSA ABLOY AB, the ultimate parent undertaking. This amount is unsecured and bears interest at 2.6% per annum.

* An amount of £1,971,999 previously included within "Amounts owed to group undertakings" above has now been correctly stated as being due within one year. This restatement has had no impact on neither the equity or the loss for the current or prior year.

ACTIVITY (UK) LIMITED

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

13. FINANCIAL INSTRUMENTS

	2015 £	2014 £
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	1,767,984	75,471
	<u>1,767,984</u>	<u>75,471</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(6,071,392)	(10,914,565)
	<u>(6,071,392)</u>	<u>(10,914,565)</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, amounts owed to group undertakings and accruals.

14. DEFERRED TAXATION

	2015 £	2014 £
At beginning of year	3,643	3,683
Credited/(charged) to the profit or loss (Note 8)	30	(40)
AT END OF YEAR	<u>3,673</u>	<u>3,643</u>

The deferred tax asset is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	3,673	3,643
	<u>3,673</u>	<u>3,643</u>

ACTIVITY (UK) LIMITED

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

15. SHARE CAPITAL

	2015 £	2014 £
Shares classified as equity		
Allotted, called up and fully paid		
668,608,598 (2014 - 108,598) Ordinary shares of £0.01 each	6,686,086	1,086
12,647 A Ordinary shares of £0.01 each	126	126
	<u>6,686,212</u>	<u>1,212</u>

During the year the company allotted 668,500,000 Ordinary shares of £0.01 each at par value.

The A Ordinary shares rank equally with the Ordinary shares in all respects.

16. RESERVES

Profit & loss account

The profit and loss account represents accumulated comprehensive income for the year and prior periods less dividends.

17. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. 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 for the year by the company to the fund and amounted to £30,487 (2014 - £32,042).

18. RELATED PARTY TRANSACTIONS

The company, being a wholly owned subsidiary of the parent undertaking, is exempt from the requirement to disclose details of transactions between the company and group undertakings in accordance with FRS 102 "Related Party Disclosures".

19. CONTROLLING PARTY

The directors consider the immediate parent undertaking to be Hanchett Entry Systems, Inc., a company incorporated in the USA, following the acquisition of the share capital from Adams Rite Europe Limited, on 31 October 2015. Adams Rite Europe Limited had acquired the share capital from Activity Corp. on 7 September 2015.

The directors consider the ultimate parent undertaking and controlling party to be ASSA ABLOY AB, a company incorporated in Sweden. These accounts are consolidated within the group accounts of ASSA ABLOY AB. The consolidated accounts are available from Klarabergsviadukten 90, Stockholm Sweden.

ACTIVITY (UK) LIMITED

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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.