

Company Registration No. 04036584 (England and Wales)

MOLDS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



MOLDS LIMITED

COMPANY INFORMATION

Directors	Charles Michael Dobson Graham Lumb Hamish Neil Ogilvie John Howard Sykes
Secretary	Hamish Neil Ogilvie
Company number	04036584
Registered office	Birds Royd Lane Brighouse West Yorkshire HG6 1NG
Auditors	BHP Clough & Company LLP New Chartford House Centurion Way Cleckheaton Bradford West Yorkshire BD19 3QB
Bankers	Lloyds TSB Bank plc 8th Floor 6/7 Park Row Leeds West Yorkshire LS1 1NX

MOLDS LIMITED

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MOLDS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Fair review of the business

Following the significant improvements made in 2014 the group has seen a continued growth in turnover, resulting in a healthy profit in 2015. The market continued to improve and our focus on obtaining contract work at sustainable margins has borne fruit. As in the previous year, quality has taken precedence over quantity in our orderbook.

The group recognises the importance of monitoring its overheads and taking advantage of reductions where they become available. In 2014 it was decided to take advantage of the expiry of a long term lease on one of the group company's premises, bringing the manufacturing facility under one roof. The benefit of the savings from this move has had a positive effect in the group's 2015 accounts.

The final costs involved in the resolution of the difficult contract carried out in 2014 have been fully incorporated into these accounts. At the same time a significant customer entered administration in the first quarter of 2015. The resulting outstanding debt was substantially covered by our credit insurance policy and had no effect on the 2015 accounts. The group is not aware of any similar matters which may affect 2016.

The year 2016 started with an orderbook at levels slightly lower than the group would like. However, in 2015 we benefitted from being appointed as subcontractor for a significant programme of works for a national retail chain and we have maintained the appointment in 2016. We have also picked up substantial orders from a rival retail chain. We are currently focussing on our traditional architectural market with a view to improving our ordertake in terms of larger contract work. 2016 has again started relatively quietly as contracts have been delayed on site and production levels are subdued. However, with the retail programmes coming through and the general improvement in sentiment within the industry, we believe we are well placed to continue with our improved profitability in 2016.

Principal risks and uncertainties

The principal risks and uncertainties facing the group are seen as the uncertain construction market, liquidity risk and credit risk.

The market sentiment continues to suggest an improvement in conditions although it is still important to ensure that contracts won are at acceptable margins. There is still substantial competition in the construction market. We are optimistic that 2016 will see further improvements in the business.

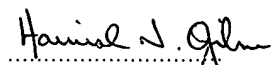
With regards to liquidity risk the group seeks to ensure that sufficient cash is available to meet its immediate needs and because of large monthly movements the cash is held with Lloyds Bank. At the end of 2015 the group had sufficient funds to continue to fulfil the obligations of its contractual commitments. We will be looking to increase the group's cash reserves, at the same recognising and planning for the cash requirements of any increase in activity in the short term.

The group's other principal financial risk is trade debtors. The group seeks to insure the major portion of its trade debtors to limit financial exposure in liquidation. In line with policy requirements third party references and trade experience are utilised to set individual credit limits which are closely monitored.

Key performance indicators

	Unit	2015	2014
Turnover	£	10,676,033	9,968,872
Gross margin	%	11.44	10.91
Operating profit/(loss)	£	168,252	52,782

By order of the board



Hamish Neil Ogilvie

Secretary

24-3-16...

MOLDS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Principal activity

The principal activity of the group is the design, supply and installation of aluminium and steel fenestration products to the building industry.

Directors

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

Charles Michael Dobson
Graham Lumb
Hamish Neil Ogilvie
John Howard Sykes

Results and dividends

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

Ordinary dividends were paid amounting to £100,000. The directors do not recommend payment of a final dividend.

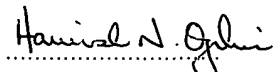
Auditors

The auditors, BHP Clough & Company LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Hamish Neil Ogilvie
Secretary

24.3.16

MOLDS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Annual 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 group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

MOLDS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOLDS LIMITED

We have audited the financial statements of Molds Limited for the year ended 31 December 2015 which comprise the Consolidated Profit And Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 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 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.

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 its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

MOLDS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MOLDS 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 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.

Roger Thompson (Senior Statutory Auditor)

for and on behalf of BHP Clough & Company LLP, Statutory Auditor



BHP Clough & Company LLP, Statutory Auditor
New Chartford House
Centurion Way
Cleckheaton
Bradford
West Yorkshire
BD19 3QB

24 March 2016

MOLDS LIMITED

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

	Notes	2015 £	2014 £
Turnover	3	10,676,033	9,968,872
Cost of sales		(9,455,104)	(8,881,436)
Gross profit		1,220,929	1,087,436
Distribution costs		(184,411)	(193,427)
Administrative expenses		(868,266)	(841,227)
Operating profit	4	168,252	52,782
Interest receivable and similar income	8	1,412	1,099
Interest payable and similar charges	9	-	(1,142)
Profit before taxation		169,664	52,739
Taxation	10	24,732	-
Profit for the financial year	21	194,396	52,739

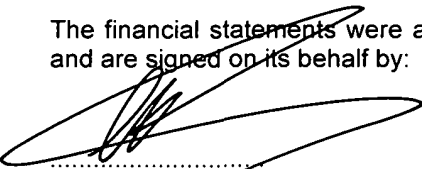
The profit and loss account has been prepared on the basis that all operations are continuing operations.

MOLDS LIMITED

GROUP BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	12		97,859		117,958
Current assets					
Stocks	14	236,983		403,263	
Debtors	15	1,218,666		2,160,683	
Cash at bank and in hand		1,421,998		468,480	
		<u>2,877,647</u>		<u>3,032,426</u>	
Creditors: falling due within one year	16	<u>(2,247,480)</u>		<u>(2,516,754)</u>	
Net current assets			630,167		515,672
Total assets less current liabilities			<u>728,026</u>		<u>633,630</u>
Capital and reserves					
Called up share capital	19		50,000		50,000
Capital redemption reserve	20		162,500		162,500
Profit and loss reserves	21		515,526		421,130
Total equity			<u>728,026</u>		<u>633,630</u>

The financial statements were approved by the board of directors and authorised for issue on 24.3.16 and are signed on its behalf by:


Charles Michael Dobson
Director

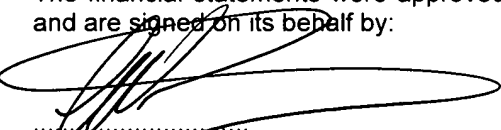
MOLDS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Investments			55,273		55,273
Current assets					
Debtors	15	235,670		307,170	
Cash at bank and in hand		191,774		159,423	
		427,444		466,593	
Creditors: falling due within one year	16	(33,242)		(41,358)	
Net current assets			394,202		425,235
Total assets less current liabilities			449,475		480,508
Capital and reserves					
Called up share capital	19	50,000		50,000	
Capital redemption reserve	20	162,500		162,500	
Profit and loss reserves	21	236,975		268,008	
Total equity			449,475		480,508

The financial statements were approved by the board of directors and authorised for issue on 24-3-16 and are signed on its behalf by:


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Charles Michael Dobson
Director

Company Registration No. 04036584

MOLDS LIMITED

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

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2014		50,000	162,500	418,391	630,891
Period ended 31 December 2014:					
Profit and total comprehensive income for the year		-	-	52,739	52,739
Dividends	11	-	-	(50,000)	(50,000)
Balance at 31 December 2014		50,000	162,500	421,130	633,630
Period ended 31 December 2015:					
Profit and total comprehensive income for the year		-	-	194,396	194,396
Dividends	11	-	-	(100,000)	(100,000)
Balance at 31 December 2015		50,000	162,500	515,526	728,026

MOLDS LIMITED

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

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2014		50,000	162,500	247,773	460,273
Period ended 31 December 2014:					
Profit and total comprehensive income for the year		-	-	70,235	70,235
Dividends	11	-	-	(50,000)	(50,000)
Balance at 31 December 2014		50,000	162,500	268,008	480,508
Period ended 31 December 2015:					
Profit and total comprehensive income for the year		-	-	68,967	68,967
Dividends	11	-	-	(100,000)	(100,000)
Balance at 31 December 2015		50,000	162,500	236,975	449,475

MOLDS LIMITED

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

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		1,076,365		(106,908)
Interest paid			-		(1,142)
Income taxes paid			(268)		-
Net cash inflow/(outflow) from operating activities			1,076,097		(108,050)
Investing activities					
Purchase of tangible fixed assets		(23,991)		(6,481)	
Proceeds on disposal of tangible fixed assets		-		11,370	
Interest received		1,412		1,099	
Net cash (used in)/generated from investing activities			(22,579)		5,988
Financing activities					
Dividends paid		(100,000)		(50,000)	
Net cash used in financing activities			(100,000)		(50,000)
Net increase/(decrease) in cash and cash equivalents			953,518		(152,062)
Cash and cash equivalents at beginning of year			468,480		620,542
Cash and cash equivalents at end of year			1,421,998		468,480

MOLDS LIMITED

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

1 Accounting policies

Company information

Molds Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is Birds Royd Lane, Brighouse, West Yorkshire, HG6 1NG.

1.1 Accounting convention

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

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

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

These financial statements for the year ended 31 December 2015 are the first financial statements of Molds Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 29.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £68,967 (2014 - £70,235).

1.2 Basis of consolidation

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

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

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

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

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

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

MOLDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.3 Going concern

The financial statements have been prepared on a going concern basis.

The group entered 2016 with cash of £1,421,998 and an available funding facility is currently in place. To date, the company has not used this facility and has met all its obligations from existing cash resources. The market remains difficult, however, the group has drawn up cash flow forecasts for the period ending 30 June 2017 on the basis of a prudent assessment of future contracts and cost management.

These forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group may be required to make use of its funding facility during this period, and the facility currently in place is shown as sufficient for those needs. There is no indication that this funding will not continue but the continued availability of this funding is fundamental to the directors' opinion that the company can continue to meet its obligations as they fall due for at least the period ended 30 June 2017.

As a consequence, whilst the group remains dependent on securing appropriate levels of business in a competitive and challenging market, the directors believe that the group is well placed to manage its business risks successfully despite the uncertain economic outlook.

On the basis of the above, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.4 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Turnover in relation to the sale of manufactured items is recognised when all risks and rewards are transferred to the buyer. This is usually on dispatch of the goods or in accordance with specific terms of agreement.

Turnover in relation to the sale of fixing works on site is recognised on the basis of the level of completion of the work in relation to the full fixing value of the contract.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Plant and machinery	3 to 10 years
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

MOLDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

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

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

Work in progress is valued on the basis of direct costs plus attributable overheads based in normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MOLDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

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

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

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

MOLDS LIMITED

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

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the obligation specified in the contract is discharged, cancelled, or expires.

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

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

MOLDS LIMITED

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

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

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

	2015 £	2014 £
Turnover		
Architectural works	7,129,033	8,095,872
Small works	2,888,000	1,373,000
Supply only	659,000	500,000
	<u>10,676,033</u>	<u>9,968,872</u>
 Other significant revenue		
Interest income	<u>1,412</u>	<u>1,099</u>

Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	<u>10,676,033</u>	<u>9,968,872</u>

4 Operating profit

	2015 £	2014 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	44,090	51,903
Loss on disposal of tangible fixed assets	-	(3,365)
Cost of stocks recognised as an expense	7,029,315	6,445,694
Operating lease charges	<u>305,789</u>	<u>420,120</u>

MOLDS LIMITED

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

5 Auditors' remuneration

	2015 £	2014 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	2,000	2,000
Audit of the company's subsidiaries	8,500	8,250
	<u>10,500</u>	<u>10,250</u>
For other services		
Taxation compliance services	<u>2,000</u>	<u>1,750</u>

6 Employees

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

	2015 Number	2014 Number
Directors	4	4
Management	5	5
Staff	34	34
Site operatives	7	7
Factory operatives	47	57
	<u>97</u>	<u>107</u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	2,372,051	2,410,280
Social security costs	215,009	216,309
Pension costs	70,588	65,720
	<u>2,657,648</u>	<u>2,692,309</u>

MOLDS LIMITED

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

7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	234,270	250,075
Company pension contributions to defined contribution schemes	9,889	13,438
	<u>244,159</u>	<u>263,513</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2014 - 3).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	70,255	66,238
Company pension contributions to defined contribution schemes	-	4,737
	<u>-</u>	<u>4,737</u>

8 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	1,018	813
Other interest income	394	286
	<u>1,412</u>	<u>1,099</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>1,018</u>	<u>813</u>
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9 Interest payable and similar charges

	2015 £	2014 £
Interest on financial liabilities measured at amortised cost:		
Interest on other loans	<u>-</u>	<u>1,142</u>

MOLDS LIMITED

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

10 Taxation

	2015 £	2014 £
Current tax		
Adjustments in respect of prior periods	268	-
Origination and reversal of timing differences	(25,000)	-
Total tax charge	(24,732)	-

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	169,664	52,739
Expected tax charge based on a corporation tax rate of 20.00%	33,933	10,548
Tax effect of expenses that are not deductible in determining taxable profit	4,432	3,738
Unutilised tax losses carried forward	(28,816)	-
Change in unrecognised deferred tax assets	(25,000)	-
Group relief	(14,000)	-
Permanent capital allowances in excess of depreciation	(4,188)	(1,594)
Short term timing differences	8,821	(12,692)
Other permanent differences	(182)	-
Under/(over) provided in the year	268	-
Tax expense for the year	(24,732)	-

11 Dividends

	2015 £	2014 £
Final paid	100,000	50,000
	100,000	50,000

MOLDS LIMITED

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

12 Tangible fixed assets

Group	Plant and machinery
	£
Cost	
At 1 January 2015	1,197,841
Additions	23,991
	<u>1,221,832</u>
At 31 December 2015	
Depreciation and impairment	
At 1 January 2015	1,079,883
Depreciation charged in the year	44,090
	<u>1,123,973</u>
At 31 December 2015	
Carrying amount	
At 31 December 2015	97,859
	<u>117,958</u>
At 31 December 2014	
	<u>117,958</u>

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

13 Financial instruments

	Group 2015 £	2014 £	Company 2015 £	2014 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,441,112	2,477,319	424,274	461,923
Equity instruments measured at cost less impairment	-	-	55,273	55,273
	<u>2,441,112</u>	<u>2,477,319</u>	<u>479,547</u>	<u>517,196</u>
Carrying amount of financial liabilities				
Measured at amortised cost	1,888,945	2,338,705	24,172	30,152
	<u>1,888,945</u>	<u>2,338,705</u>	<u>24,172</u>	<u>30,152</u>
Amounts relating to cash flow hedges reclassified from equity to profit or loss in the period	-	-	-	-

MOLDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

14 Stocks

	Group 2015 £	2014 £	Company 2015 £	2014 £
Raw materials and consumables	148,127	157,263	-	-
Work in progress	88,856	246,000	-	-
	<u>236,983</u>	<u>403,263</u>	<u>-</u>	<u>-</u>

15 Debtors

	Group 2015 £	2014 £	Company 2015 £	2014 £
Amounts falling due within one year:				
Trade debtors	862,222	1,838,995	-	-
Amounts due from subsidiary undertakings	-	-	232,500	302,500
Prepayments and accrued income	174,552	151,844	3,170	4,670
	<u>1,036,774</u>	<u>1,990,839</u>	<u>235,670</u>	<u>307,170</u>
Deferred tax asset (note 17)	25,000	-	-	-
	<u>1,061,774</u>	<u>1,990,839</u>	<u>235,670</u>	<u>307,170</u>
Amounts falling due after one year:				
Trade debtors	156,892	169,844	-	-
	<u>156,892</u>	<u>169,844</u>	<u>-</u>	<u>-</u>
Total debtors	<u>1,218,666</u>	<u>2,160,683</u>	<u>235,670</u>	<u>307,170</u>

16 Creditors: falling due within one year

	Group 2015 £	2014 £	Company 2015 £	2014 £
Other taxation and social security	358,535	178,049	9,070	11,206
Trade creditors	1,498,498	1,891,965	-	-
Other creditors	83,932	113,696	-	-
Accruals and deferred income	306,515	333,044	24,172	30,152
	<u>2,247,480</u>	<u>2,516,754</u>	<u>33,242</u>	<u>41,358</u>

MOLDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

17 Deferred taxation

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

	Assets 2015 £	Assets 2014 £
Group		
Tax losses	25,000	-
	<u>2015</u>	<u>2014</u>
	Group 2015 £	Company 2015 £
Movements in the year:		
Liability at 1 January 2015	-	-
Charge to profit or loss	(25,000)	-
Liability/(Asset) at 31 December 2015	<u>(25,000)</u>	<u>-</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

The group has available tax losses and other reliefs of approximately £1.35 million. A deferred tax asset of £25,000 has been recognised on the basis that this will crystallise due to the profits the group expects to achieve in the forthcoming year. The group has not recognised a deferred tax asset of £270,000 (being £18,000 for accelerated capital allowances, £7,000 for other short term timing differences and £245,000 for unrelieved tax losses) but will continue to review the position in the light of improving results.

18 Retirement benefit schemes

	2015 £	2014 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	70,588	65,720

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

Contributions totalling £9,539 (2014 - £9,833) were payable to the scheme at the end of the year and are included in creditors.

MOLDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

19 Share capital

	Group and company	
	2015	2014
	£	£
Ordinary share capital Issued and fully paid 50,000 Ordinary shares of £1 each	50,000	50,000

20 Capital redemption reserve

	Group 2015	2014	Company 2015	2014
	£	£	£	£
At beginning and end of year	162,500	162,500	162,500	162,500

21 Profit and loss reserves

	Group 2015	2014	Company 2015	2014
	£	£	£	£
At beginning of year	421,130	418,391	268,008	247,773
Profit for the year	194,396	52,739	68,967	70,235
Dividends	(100,000)	(50,000)	(100,000)	(50,000)
At end of year	515,526	421,130	236,975	268,008

22 Financial commitments, guarantees and contingent liabilities

Under an unlimited debenture the group have guaranteed any bank borrowings with a fixed and floating charge. The bank borrowings for year amounted to £nil (2014 - £nil).

23 Operating lease commitments

Lessee

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

	Group 2015	2014	Company 2015	2014
	£	£	£	£
Within one year	314,546	307,161	11,449	17,163
Between two and five years	926,700	944,496	12,393	24,794
In over five years	1,633,333	1,833,333	-	-
	2,874,579	3,084,990	23,842	41,957

MOLDS LIMITED

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

24 Related party transactions

Only the directors have authority and responsibility for planning, directing and controlling the activities of the company and as such are considered to be the only key management personnel of the company. Total remuneration in respect of these individuals is £254,629 (2014 - £263,813).

No guarantees have been given or received.

The company has taken advantage of the exemption in Section 33 of FRS102 "Related Party Disclosures" from disclosing transactions with other members of the group.

25 Directors' transactions

During the year the company paid the following dividends to directors in their capacity as shareholders:

	2015 £	2014 £
Charles Michael Dobson	20,000	10,000
Graham Lumb	20,000	10,000
Hamish Neil Ogilvie	20,000	10,000
John Howard Sykes	20,000	10,000

26 Controlling party

The company is controlled by the directors who own 80% of the share capital.

27 Subsidiaries

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

Name of undertaking	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
HW Architectural Limited	the design, supply and installation of aluminium and steel fenestration products to the building industry.	Ordinary	100.00	

The investment in subsidiary is stated at cost.

MOLDS LIMITED

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

28	Cash generated from operations	2015 £	2014 £
	Profit for the year	194,396	52,739
	Adjustments for:		
	Income tax expense recognised in profit or loss	(24,732)	-
	Finance costs recognised in profit or loss	-	1,142
	Investment income recognised in profit or loss	(1,412)	(1,099)
	Gain on disposal of tangible fixed assets	-	(3,365)
	Depreciation and impairment of tangible fixed assets	44,090	51,903
	Movements in working capital:		
	Decrease in stocks	166,280	117,031
	Decrease/(increase) in debtors	967,017	(553,234)
	(Decrease)/increase in creditors	(269,274)	227,975
	Cash generated from/(absorbed by) operations	1,076,365	(106,908)

MOLDS LIMITED

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

29 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	At 1 January 2014			At 31 December 2014		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Tangible assets		171,385	-	171,385	117,958	-	117,958
Current assets							
Stocks		520,294	-	520,294	403,263	-	403,263
Debtors		1,607,449	-	1,607,449	2,160,683	-	2,160,683
Bank and cash		620,542	-	620,542	468,480	-	468,480
		2,748,285	-	2,748,285	3,032,426	-	3,032,426
Creditors due within one year							
Taxation		198,179	-	198,179	178,049	-	178,049
Other creditors		2,090,600	-	2,090,600	2,338,705	-	2,338,705
		2,288,779	-	2,288,779	2,516,754	-	2,516,754
Net current assets		459,506	-	459,506	515,672	-	515,672
Total assets less current liabilities		630,891	-	630,891	633,630	-	633,630
Net assets		630,891	-	630,891	633,630	-	633,630
Capital and reserves							
Share capital		50,000	-	50,000	50,000	-	50,000
Capital redemption		162,500	-	162,500	162,500	-	162,500
Profit and loss		418,391	-	418,391	421,130	-	421,130
Total equity		630,891	-	630,891	633,630	-	633,630

MOLDS LIMITED

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

29 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit or loss for the year

	Notes	Year ended 31 December 2014		
		Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover		9,968,872	-	9,968,872
Cost of sales		(8,881,436)	-	(8,881,436)
Gross profit		1,087,436	-	1,087,436
Distribution costs		(193,427)	-	(193,427)
Administrative expenses		(841,227)	-	(841,227)
Operating profit		52,782	-	52,782
Interest receivable and similar income		1,099	-	1,099
Interest payable and similar charges		(1,142)	-	(1,142)
Profit before taxation		52,739	-	52,739
Taxation		-	-	-
Profit for the financial period		52,739	-	52,739

Notes to reconciliations on adoption of FRS 102

There have been no restatement of balances upon the adoption of FRS 102 for the year ending 31 December 2015.