

REGISTERED NUMBER: 04320113 (England and Wales)

GREY TECHNOLOGY LIMITED

Group Strategic Report,

Report of the Director and

Consolidated Financial Statements

for the Year Ended 30 November 2015



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for the year ended 30 November 2015**

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GREY TECHNOLOGY LIMITED

**Company Information
for the year ended 30 November 2015**

DIRECTOR: N G Grey

SECRETARY: Mrs L M Grey

REGISTERED OFFICE: Britannia Court
5 Moor Street
WORCESTER
Worcestershire
WR1 3DB

REGISTERED NUMBER: 04320113 (England and Wales)

AUDITORS: Haines Watts Birmingham LLP
Sterling House
71 Francis Road
Edgbaston
Birmingham
West Midlands
B16 8SP

**Group Strategic Report
for the year ended 30 November 2015**

The director presents his strategic report of the company and the group for the year ended 30 November 2015.

REVIEW OF BUSINESS

The business performance during 2015 in the United Kingdom reflects the long term strategy to lead the vacuum cleaning sector from corded to cordless. Gtech's transformed trading outlook is a result of high consumer satisfaction combined with more informative advertising and market analysis. The Company continues to invest in research and development focusing on in-home performance and usability.

Establishing a foothold in the United States market has proved more costly than expected. The US strategy going forwards will be to test a number of approaches, while maintaining prudent cost control.

Recruitment of high calibre staff has ensured the company is sufficiently resourced to address the challenges brought about by growth. The strategy pursued by the company has positioned Gtech to maximise the coming opportunities.

PRINCIPAL RISKS AND UNCERTAINTIES

Credit Management

The Company undertakes extensive credit checks prior to offering a credit account and has become more selective with retail partners. Stringent debt chasing policies ensure debtors are managed efficiently and the marketing strategy reduces Gtech's reliance on the retail environment.

Cashflow

The Company continues to be self-funded, the trading model and contract negotiations are expected to facilitate rapid growth without the need for external financing. Cash flow is closely monitored and sufficient funds are available for all current and forecast activities.

ON BEHALF OF THE BOARD:



N G Grey - Director

22 August 2016

**Report of the Director
for the year ended 30 November 2015**

The director presents his report with the financial statements of the company and the group for the year ended 30 November 2015.

DIVIDENDS

An interim dividend of 400.95 per share was paid on 4 November 2015. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 30 November 2015 will be £4,009,500.

DIRECTOR

N G Grey held office during the whole of the period from 1 December 2014 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**Report of the Director
for the year ended 30 November 2015**

AUDITORS

The auditors, Haines Watts Birmingham LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'N Grey', with a stylized flourish at the end.

N G Grey - Director

22 August 2016

Report of the Independent Auditors to the Members of Grey Technology Limited

We have audited the financial statements of Grey Technology Limited for the year ended 30 November 2015 on pages seven to twenty four. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Director 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 of the parent company's affairs as at 30 November 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

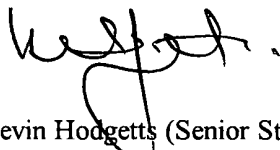
In our opinion the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Grey Technology 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Kevin Hodgetts (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
Sterling House
71 Francis Road
Edgbaston
Birmingham
West Midlands
B16 8SP

Date: 22 August 2016

GREY TECHNOLOGY LIMITED (REGISTERED NUMBER: 04320113)

**Consolidated Profit and Loss Account
for the year ended 30 November 2015**

	Notes	2015 £	2014 £
TURNOVER	2	65,983,321	48,347,274
Cost of sales		27,338,484	24,521,686
GROSS PROFIT		38,644,837	23,825,588
Administrative expenses		25,809,689	19,149,120
OPERATING PROFIT	4	12,835,148	4,676,468
Interest receivable and similar income		27,940	7,386
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,863,088	4,683,854
Tax on profit on ordinary activities	5	1,752,550	546,196
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		11,110,538	4,137,658

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

GREY TECHNOLOGY LIMITED (REGISTERED NUMBER: 04320113)

**Consolidated Balance Sheet
30 November 2015**

	Notes	2015	2014
		£	£
FIXED ASSETS			
Intangible assets	8	924	1,507
Tangible assets	9	1,854,971	889,919
Investments	10	-	-
		<u>1,855,895</u>	<u>891,426</u>
CURRENT ASSETS			
Stocks	11	8,403,514	8,884,585
Debtors	12	2,919,120	3,309,022
Cash at bank and in hand		20,430,420	10,179,782
		<u>31,753,054</u>	<u>22,373,389</u>
CREDITORS			
Amounts falling due within one year	13	13,410,200	10,988,588
		<u>13,410,200</u>	<u>10,988,588</u>
NET CURRENT ASSETS		<u>18,342,854</u>	<u>11,384,801</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>20,198,749</u>	<u>12,276,227</u>
PROVISIONS FOR LIABILITIES	15	4,451,843	3,630,359
		<u>4,451,843</u>	<u>3,630,359</u>
NET ASSETS		<u><u>15,746,906</u></u>	<u><u>8,645,868</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	10,000	10,000
Profit and loss account	17	15,736,906	8,635,868
		<u>15,746,906</u>	<u>8,635,868</u>
SHAREHOLDERS' FUNDS	19	<u><u>15,746,906</u></u>	<u><u>8,645,868</u></u>

The financial statements were approved by the director on 22 August 2016 and were signed by:



N G Grey - Director

The notes form part of these financial statements

GREY TECHNOLOGY LIMITED (REGISTERED NUMBER: 04320113)

**Company Balance Sheet
30 November 2015**

		2015		2014	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	8		924		1,507
Tangible assets	9		1,841,442		874,491
Investments	10		1		1
			<u>1,842,367</u>		<u>875,999</u>
CURRENT ASSETS					
Stocks	11	8,403,514		8,884,585	
Debtors	12	5,839,941		5,339,946	
Cash at bank and in hand		20,363,889		10,150,062	
			<u>34,607,344</u>		<u>24,374,593</u>
CREDITORS					
Amounts falling due within one year	13	13,271,475		10,462,760	
NET CURRENT ASSETS			<u>21,335,869</u>		<u>13,911,833</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			23,178,236		14,787,832
PROVISIONS FOR LIABILITIES	15		4,451,843		3,630,359
NET ASSETS			<u><u>18,726,393</u></u>		<u><u>11,157,473</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		10,000		10,000
Profit and loss account	17		18,716,393		11,147,473
SHAREHOLDERS' FUNDS	19		<u><u>18,726,393</u></u>		<u><u>11,157,473</u></u>

The financial statements were approved by the director on 22 August 2016 and were signed by:



N G Grey - Director

The notes form part of these financial statements

**Consolidated Cash Flow Statement
for the year ended 30 November 2015**

	Notes	2015 £	2014 £
Net cash inflow from operating activities	1	17,816,366	9,570,177
Returns on investments and servicing of finance	2	27,940	7,386
Taxation		(1,387,857)	(167,026)
Capital expenditure	2	(1,731,056)	(790,040)
Equity dividends paid		(4,009,500)	-
		<u>10,715,893</u>	<u>8,620,497</u>
Financing	2	(465,255)	(9,532)
Increase in cash in the period		<u>10,250,638</u>	<u>8,610,965</u>
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>10,250,638</u>	<u>8,610,965</u>
Change in net funds resulting from cash flows		<u>10,250,638</u>	<u>8,610,965</u>
Movement in net funds in the period		<u>10,250,638</u>	<u>8,610,965</u>
Net funds at 1 December		<u>10,179,782</u>	<u>1,568,817</u>
Net funds at 30 November		<u>20,430,420</u>	<u>10,179,782</u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the year ended 30 November 2015**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	12,835,148	4,676,468
Depreciation charges	762,401	445,977
Loss/(profit) on disposal of fixed assets	4,186	(70)
Decrease/(increase) in stocks	481,071	(4,759,043)
Decrease/(increase) in debtors	389,902	(250,719)
Increase in creditors	3,343,658	9,457,564
Net cash inflow from operating activities	<u>17,816,366</u>	<u>9,570,177</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	<u>27,940</u>	<u>7,386</u>
Net cash inflow for returns on investments and servicing of finance	<u>27,940</u>	<u>7,386</u>
 Capital expenditure		
Purchase of intangible fixed assets	-	(1,750)
Purchase of tangible fixed assets	(1,730,815)	(788,360)
Sale of tangible fixed assets	(241)	70
Net cash outflow for capital expenditure	<u>(1,731,056)</u>	<u>(790,040)</u>
 Financing		
Amount withdrawn by directors	<u>(465,255)</u>	<u>(9,532)</u>
Net cash outflow from financing	<u>(465,255)</u>	<u>(9,532)</u>

The notes form part of these financial statements

GREY TECHNOLOGY LIMITED (REGISTERED NUMBER: 04320113)

**Notes to the Consolidated Cash Flow Statement
for the year ended 30 November 2015**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.12.14 £	Cash flow £	At 30.11.15 £
Net cash:			
Cash at bank and in hand	10,179,782	10,250,638	20,430,420
	<u>10,179,782</u>	<u>10,250,638</u>	<u>20,430,420</u>
 Total	 <u>10,179,782</u>	 <u>10,250,638</u>	 <u>20,430,420</u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements
for the year ended 30 November 2015**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated accounts comprise the accounts of the parent company and its trading subsidiary. The results of subsidiary undertakings acquired or disposed of are consolidated from or to the date when control passes to or from the company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Intangible fixed assets

Intangible fixed assets relate to domain names which are amortised over their estimated useful life.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% straight line
Tooling	- 40% straight line
Fixtures, fittings and equipment	- 20% straight line
Computer equipment	- 33% straight line

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

Notes to the Consolidated Financial Statements - continued
for the year ended 30 November 2015

1. ACCOUNTING POLICIES - continued

Leasing commitments

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

Warranty provision

A provision is recognised in the financial statements when; an obligation exists at the balance sheet date, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2015 £	2014 £
United Kingdom	63,995,266	45,243,495
Europe	16,563	84,259
United States of America	923,467	1,481,134
Rest of the World	1,048,025	1,538,386
	<u>65,983,321</u>	<u>48,347,274</u>

3. STAFF COSTS

	2015 £	2014 £
Wages and salaries	3,003,979	2,656,494
Social security costs	311,452	296,599
Other pension costs	23,969	163,824
	<u>3,339,400</u>	<u>3,116,917</u>

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

	2015	2014
Director & Management	5	8
Research & Development	20	16
Selling & Distribution	45	29
Finance & Administration	11	12
	<u>81</u>	<u>65</u>

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 November 2015**

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation - owned assets	761,818	445,612
Loss/(profit) on disposal of fixed assets	4,186	(70)
Domains & licences amortisation	583	243
Auditors' remuneration	14,000	10,500
Foreign exchange differences	(18,414)	372,554
	<u> </u>	<u> </u>
Director's remuneration	600,000	600,000
Director's pension contributions to money purchase schemes	-	150,000
	<u> </u>	<u> </u>

The number of directors to whom retirement benefits were accruing was as follows:

	1	1
	<u> </u>	<u> </u>
Money purchase schemes	1	1

Information regarding the highest paid director is as follows:

	2015	2014
	£	£
Emoluments etc	600,000	600,000
Pension contributions to money purchase schemes	-	150,000
	<u> </u>	<u> </u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2015	2014
	£	£
Current tax:		
UK corporation tax	1,735,889	518,380
Deferred tax	16,661	27,816
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	1,752,550	546,196
	<u> </u>	<u> </u>

Notes to the Consolidated Financial Statements - continued
for the year ended 30 November 2015

5. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>12,863,088</u>	<u>4,683,854</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.330% (2014 - 21.670%)	2,615,066	1,014,991
Effects of:		
Expenses not deductible for tax purposes	3,236	22,800
Capital allowances in excess of depreciation	(17,267)	(26,657)
Patent box deduction	(672,504)	(343,579)
Research & Development Enhanced deduction	(287,814)	(429,894)
Unrelieved loss on US subsidiary	95,172	280,719
Current tax charge	<u>1,735,889</u>	<u>518,380</u>

6. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £11,578,420 (2014 - £5,420,672).

7. DIVIDENDS

	2015 £	2014 £
Ordinary shares of £1 each		
Interim	<u>4,009,500</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 30 November 2015

8. INTANGIBLE FIXED ASSETS

Group

Domains &
licences
£

COST

At 1 December 2014
and 30 November 2015

1,750

AMORTISATION

At 1 December 2014
Amortisation for year

243

583

At 30 November 2015

826

NET BOOK VALUE

At 30 November 2015

924

At 30 November 2014

1,507

Company

Domains &
licences
£

COST

At 1 December 2014
and 30 November 2015

1,750

AMORTISATION

At 1 December 2014
Amortisation for year

243

583

At 30 November 2015

826

NET BOOK VALUE

At 30 November 2015

924

At 30 November 2014

1,507

Notes to the Consolidated Financial Statements - continued
for the year ended 30 November 2015

9. TANGIBLE FIXED ASSETS**Group**

	Improvements to property £	Tooling £	Fixtures, fittings and equipment £	Computer equipment £	Totals £
COST					
At 1 December 2014	48,931	2,341,609	85,924	320,992	2,797,456
Additions	4,485	1,498,038	5,903	222,389	1,730,815
Disposals	-	(524)	(4,659)	(4,493)	(9,676)
At 30 November 2015	53,416	3,839,123	87,168	538,888	4,518,595
DEPRECIATION					
At 1 December 2014	15,389	1,675,552	52,975	163,621	1,907,537
Charge for year	10,036	624,941	9,386	117,455	761,818
Eliminated on disposal	-	-	(1,969)	(3,762)	(5,731)
At 30 November 2015	25,425	2,300,493	60,392	277,314	2,663,624
NET BOOK VALUE					
At 30 November 2015	27,991	1,538,630	26,776	261,574	1,854,971
At 30 November 2014	33,542	666,057	32,949	157,371	889,919

Notes to the Consolidated Financial Statements - continued
for the year ended 30 November 2015

9. TANGIBLE FIXED ASSETS - continued

Company

	Improvements to property £	Tooling £	Fixtures, fittings and equipment £	Computer equipment £	Totals £
COST					
At 1 December 2014	48,931	2,341,609	81,265	302,149	2,773,954
Additions	4,485	1,498,038	5,903	212,694	1,721,120
Disposals	-	(524)	-	-	(524)
At 30 November 2015	53,416	3,839,123	87,168	514,843	4,494,550
DEPRECIATION					
At 1 December 2014	15,389	1,675,552	51,977	156,545	1,899,463
Charge for year	10,036	624,941	8,415	110,253	753,645
At 30 November 2015	25,425	2,300,493	60,392	266,798	2,653,108
NET BOOK VALUE					
At 30 November 2015	27,991	1,538,630	26,776	248,045	1,841,442
At 30 November 2014	33,542	666,057	29,288	145,604	874,491

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 December 2014 and 30 November 2015	1
NET BOOK VALUE	
At 30 November 2015	1
At 30 November 2014	1

GREY TECHNOLOGY LIMITED (REGISTERED NUMBER: 04320113)

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 November 2015**

10. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Gtech USA Inc

Country of incorporation: USA

Nature of business: Distribution of domestic electrical products

%

Class of shares:	holding
Ordinary	100.00

Gtech USA Inc. was incorporated on 16 November 2012. The company commenced trading in 2013.

11. STOCKS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Finished goods	8,403,514	8,884,585	8,403,514	8,884,585

12. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,075,162	3,375,473	1,942,992	3,306,966
Bad debt provision	(15,047)	(247,993)	(15,047)	(221,215)
Amounts owed by group undertakings	-	-	3,054,977	2,066,729
Other debtors	384,352	41,114	384,352	33,479
VAT	-	34,166	-	52,749
Prepayments and accrued income	216,159	106,262	214,173	101,238
	<u>2,660,626</u>	<u>3,309,022</u>	<u>5,581,447</u>	<u>5,339,946</u>
Amounts falling due after more than one year:				
Other debtors	<u>258,494</u>	<u>-</u>	<u>258,494</u>	<u>-</u>
Aggregate amounts	<u>2,919,120</u>	<u>3,309,022</u>	<u>5,839,941</u>	<u>5,339,946</u>

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 November 2015**

12. DEBTORS - continued

The amount included as due after more than one year relates to professional fees paid in relation to the purchase of land for the newly established associated company under common control which has been set up after the balance sheet date.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	9,241,594	7,137,871	9,177,826	6,680,047
Tax	862,978	514,946	862,978	514,946
Social security and other taxes	201,571	469,761	201,571	469,761
VAT	616,008	-	597,120	-
Other creditors	32,953	23,820	32,953	23,820
Directors' current accounts	53,000	518,254	53,000	518,254
Accrued expenses	2,402,096	2,323,936	2,346,027	2,255,932
	<u>13,410,200</u>	<u>10,988,588</u>	<u>13,271,475</u>	<u>10,462,760</u>

14. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

Group

	Other operating leases	
	2015	2014
	£	£
Expiring:		
Within one year	6,676	-
Between one and five years	32,706	26,820
	<u>39,382</u>	<u>26,820</u>

Company

	Other operating leases	
	2015	2014
	£	£
Expiring:		
Within one year	6,676	-
Between one and five years	32,706	26,820
	<u>39,382</u>	<u>26,820</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 30 November 2015

15. PROVISIONS FOR LIABILITIES

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Deferred tax	<u>59,819</u>	<u>43,158</u>	<u>59,819</u>	<u>43,158</u>
Other provisions				
Warranty provision	<u>4,392,024</u>	<u>3,587,201</u>	<u>4,392,024</u>	<u>3,587,201</u>
Aggregate amounts	<u>4,451,843</u>	<u>3,630,359</u>	<u>4,451,843</u>	<u>3,630,359</u>

Group

	Deferred tax £	Warranty provision £
Balance at 1 December 2014	43,158	3,587,201
Provided during year	-	2,828,118
Credit to Profit and Loss Account during year	-	(2,023,295)
Movement on timing differences	<u>16,661</u>	<u>-</u>
Balance at 30 November 2015	<u>59,819</u>	<u>4,392,024</u>

Company

	Deferred tax £	Warranty provision £
Balance at 1 December 2014	43,158	3,587,201
Provided during year	-	2,828,118
Credit to Profit and Loss Account during year	-	(2,023,295)
Movement on timing differences	<u>16,661</u>	<u>-</u>
Balance at 30 November 2015	<u>59,819</u>	<u>4,392,024</u>

A warranty provision is provided at the point the revenue is recognised on products sold under the company warranty terms. The company has a product range with varying warranty terms. The provision is estimated based on an average return rate calculated by reference to the product and sales channel.

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 November 2015**

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	2015	2014
Number:	Class:		£	£
10,000	Ordinary		<u>10,000</u>	<u>10,000</u>

17. RESERVES

Group

	Profit and loss account £
At 1 December 2014	8,635,868
Profit for the year	11,110,538
Dividends	<u>(4,009,500)</u>
At 30 November 2015	<u>15,736,906</u>

Company

	Profit and loss account £
At 1 December 2014	11,147,473
Profit for the year	11,578,420
Dividends	<u>(4,009,500)</u>
At 30 November 2015	<u>18,716,393</u>

18. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Notes to the Consolidated Financial Statements - continued
for the year ended 30 November 2015

18. RELATED PARTY DISCLOSURES - continued

At 30 November 2015, an amount of £53,000 was due to the director, Mr N G Grey (2014 : £518,254).

Dividends of £4,009,500 (2014 £Nil) were paid to the director, Mr N G Grey, during the year.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2015 £	2014 £
Profit for the financial year	11,110,538	4,137,658
Dividends	(4,009,500)	-
Net addition to shareholders' funds	7,101,038	4,137,658
Opening shareholders' funds	8,645,868	4,508,210
Closing shareholders' funds	15,746,906	8,645,868

Company

	2015 £	2014 £
Profit for the financial year	11,578,420	5,420,672
Dividends	(4,009,500)	-
Net addition to shareholders' funds	7,568,920	5,420,672
Opening shareholders' funds	11,157,473	5,736,801
Closing shareholders' funds	18,726,393	11,157,473

20. CONTROLLING INTEREST

The controlling party is Mr N G Grey by virtue of him having ownership of 90% of the issued share capital in the company.