

ADMC Holding Limited

Abbreviated Financial Statements

31 December 2015

CHAMPION ACCOUNTANTS LLP

Chartered accountant

4 Nile Close

Nelson Court Business Centre

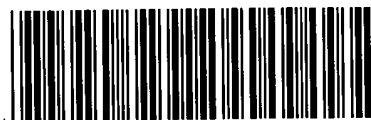
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Preston

Lancashire

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ADMC Holding Limited

Abbreviated Financial Statements

Year ended 31 December 2015

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ADMC Holding Limited

Officers and Professional Advisers

The board of directors

Mr P T Aspinall
Mr J Sabine

Registered office

188 Bradkirk Place
Walton Summit Centre
Bamber Bridge
Preston
PR5 8AJ

Accountants

Champion Accountants LLP
Chartered accountant
4 Nile Close
Nelson Court Business Centre
Riversway
Preston
Lancashire
PR2 2XU

ADMC Holding Limited

Strategic Report

Year ended 31 December 2015

The directors present their strategic report for the year ended 31 December 2015.

Review of business

The principal activity of the company during the year was that of machine repairs and the building of new machines.

During the year the Company dealt with some planned challenges including the continuing development of a new machine and the refurbishment of the plant. The development of the new machines had a direct impact on results due to the increased material and labour cost invested in the manufacture of the machines. With the machine incorporating previously unused techniques and technology there were understandably issues that had to be worked through to get to a satisfactory result. The order intake for machine builds was below forecast which meant a reduction in turnover and profit, when compared to budget.

The refurbishment of the plant was undertaken to improve conditions and the efficiency of the plant. From having to operate from two separate units all operations are now in one unit. This will make the workshop in particular more efficient.

Financial key performance indicators

Turnover increased by 18% during the year primarily due to the increase in turnover relating to the machines build contracts. Turnover for this company in the next financial year is expected to continue to improve on that achieved this year.

Gross profit is closely monitored with targets set on individual aspects of the business. The overall gross profit decreased by 10% to 17% for the year. The primary reason for the decrease was a loss on a contract of £201,000 which has been recognised immediately. Adjusting for this, the GP would have been 21% for the year.

The impact of the newly developed Top 80 machines also caused a reduction in the gross profits achieved. This was due to the design of the machine having to be updated as development issues were identified. This resulted in greater cost of materials as elements of the machines had to be changed. This also had the impact of absorbing more labour time. During the year two of the Top 80 machines were shipped with a combined gross profit of 13% on these two contracts. This was less than expected due to the circumstances discussed above.

The gross profit made on machine sales, excluding the loss on a contract and the two Top 80 machines builds, was in line with budgeted targets. The gross profit margins achieved on the tooling, spares and service elements of the business were acceptable in the year.

As a result of the loss on a contract and the lower than expected gross profits on two Top 80 machines the company reported an operating loss of £50,665.

Development and performance

During the year the development of a new machine (Top 80/F1 project) has continued. This is a machine that combines new technology and techniques that have not been used before to provide a safer, quicker and more efficient machine option. This development has been undertaken in conjunction with a customer with the design and development being focussed towards their requirements. Due to the complexity and size of the project it is still ongoing at the year end.

ADMC Holding Limited

Strategic Report *(continued)*

Year ended 31 December 2015

Principle risks and uncertainties

The company discusses risks at a director level at monthly management meetings. There are also informal regular meetings where different aspects of the business are discussed including production, credit control and financial meetings. These meetings are attended by senior managers as well as supervisors where necessary.

The principal risks and uncertainties facing the company are broadly grouped as competitive, legislative and financial instrument risk.

Competitive - A large part of the business is the build and sale of new tube bending machines. These machine build contracts have to be bid for against competitors trying to sell their own versions of machines. To continue winning these contracts the company has to produce reliable machines at a competitive price whilst keeping up with innovations in the industry.

Legislative - The machines that are built have to meet relevant health and safety standards which are subject to continuous revision and any new Directive may have a material impact on the ability to manufacture and supply machines at a profit. In addition compliance imposes costs and failure to comply with the standards could materially affect the ability to operate.

Financial instrument - The company has established a risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Exposure to price, credit and liquidity risk - Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The company's subsidiary, which it does not intend to sell in the short term is held at a cost value of £499,854 and is exposed to price risk. The exposure is within the company's risk appetite due to group structure protection provided. Investors within the group have an interest to maintain the operating structure.

Due to a lot of the business being conducted overseas the company does have to deal with foreign exchange rate fluctuations. In the main this is managed by dealing in the relevant currencies and operating foreign currency bank accounts.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. The company also agrees specific payment terms on individual machine build contracts which includes stage payments. These are agreed to ensure that funds are received in advance to allow requisite materials to be purchased without having to rely on future payments.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection targets throughout the company. As already noted on large machine build contract specific stage payment terms are agreed in advance to match the income of cash against the investment required in materials.

ADMC Holding Limited

Strategic Report *(continued)*

Year ended 31 December 2015

Future developments

The continuing Top 80/F1 project will be a focus during the coming year as final designs are settled upon. Once this point is reached it will allow the machine builds to become more efficient as labour time will be reduced by having more detailed and structured build plans with less amendments during the builds. This will also allow purchasing staff to focus on obtaining best prices for materials which will ultimately bring down the build costs of the machines.

There are also plans to implement a tooling cell within the plant through an extension of the building which is agreed by the property landlord. This would allow the Company to begin internally manufacturing consumable tooling that is currently bought in to order. This will reduce costs within the company as well as potentially opening up greater markets shares within the consumable tooling business. The tooling cell will require investment in capital equipment required to manufacture the tooling.



Mr P T Aspinall
Director

Registered office:
188 Bradkirk Place
Walton Summit Centre
Bamber Bridge
Preston
PR5 8AJ

ADMC Holding Limited

Directors Report

Year ended 31 December 2015

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

Directors

The directors who served the company during the year were as follows:

Mr P T Aspinall
Mr J Sabine

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

Details of the principal activities, the business review, future developments and financial instruments are provided within the strategic report on pages 2 to 4.

Directors responsibilities statement

The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

ADMC Holding Limited

Directors Report *(continued)*

Year ended 31 December 2015

Auditor

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

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



Mr P T Aspinall
Director

Registered office:
188 Bradkirk Place
Walton Summit Centre
Bamber Bridge
Preston
PR5 8AJ

ADMC Holding Limited

Independent Auditor's Report to ADMC Holding Limited under section 449 of the Companies Act 2006

Year ended 31 December 2015

We have examined the abbreviated financial statements which comprise the abbreviated statement of comprehensive income, statement of financial position, statement of cash flows and the related notes, together with the financial statements of ADMC Holding Limited for the year ended 31 December 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company's shareholder 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 shareholder those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated financial statements in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section.

Mark Turner FCA (Senior Statutory Auditor)

For and on behalf of
Champion Accountants LLP
Chartered accountant
4 Nile Close
Nelson Court Business Centre
Riversway
Preston
Lancashire
PR2 2XU

12 April 2016

ADMC Holding Limited

Abbreviated Statement of Comprehensive Income

Year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	2	7,923,411	6,728,494
Cost of sales and other operating income		6,542,962	4,937,257
Distribution costs		289,587	173,373
Administrative expenses		1,141,527	1,008,357
Operating (loss)/profit	3	(50,665)	609,507
Other interest receivable and similar income	7	7,984	8
(Loss)/profit on ordinary activities before taxation		(42,681)	609,515
Tax on (loss)/profit on ordinary activities	8	(60,898)	137,487
Profit for the financial year and total comprehensive income		18,217	472,028

All the activities of the company are from continuing operations.

The notes on pages 11 to 19 form part of these financial statements.

ADMC Holding Limited

Statement of Financial Position

31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	9	117,557	49,635
Investments	10	499,854	499,854
		<u>617,411</u>	<u>549,489</u>
Current assets			
Stocks	11	1,319,669	699,097
Debtors	12	1,932,666	2,175,982
Cash at bank and in hand		491,796	204,551
		<u>3,744,131</u>	<u>3,079,630</u>
Creditors: amounts falling due within one year	13	<u>2,982,999</u>	<u>2,280,026</u>
Net current assets		<u>761,132</u>	<u>799,604</u>
Total assets less current liabilities		<u>1,378,543</u>	<u>1,349,093</u>
Provisions	15	<u>21,160</u>	<u>9,927</u>
Net assets		<u>1,357,383</u>	<u>1,339,166</u>
Capital and reserves			
Called up share capital	17	2	2
Profit and loss account	18	1,357,381	1,339,164
Shareholder funds		<u>1,357,383</u>	<u>1,339,166</u>

These financial statements have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated financial statements were approved by the board of directors and authorised for issue on 12 April 2016, and are signed on behalf of the board by:



Mr P T Aspinall
Director

Company registration number: 05762934

The notes on pages 11 to 19 form part of these financial statements.

ADMC Holding Limited

Statement of Cash Flows

Year ended 31 December 2015

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	18,217	472,028
<i>Adjustments for:</i>		
Depreciation of tangible assets	18,653	15,800
Other interest receivable and similar income	(7,984)	(8)
Tax on (loss)/profit on ordinary activities	(60,898)	137,487
Accrued expenses	511,602	71,460
<i>Changes in:</i>		
Stocks	(620,572)	(243,837)
Trade and other debtors	243,316	(843,879)
Trade and other creditors	383,910	(185,606)
Cash generated from operations	486,244	(576,555)
Interest received	7,984	8
Tax paid	(55,429)	(20,350)
Net cash from/(used in) operating activities	<u>438,799</u>	<u>(596,897)</u>
Cash flows from investing activities		
Purchase of tangible assets	(86,575)	(28,319)
Net cash used in investing activities	<u>(86,575)</u>	<u>(28,319)</u>
Cash flows from financing activities		
Proceeds from loans from group undertakings	(64,979)	400,951
Net cash (used in)/from financing activities	<u>(64,979)</u>	<u>400,951</u>
Net increase/(decrease) in cash and cash equivalents	287,245	(224,265)
Cash and cash equivalents at beginning of year	204,551	428,816
Cash and cash equivalents at end of year	<u>491,796</u>	<u>204,551</u>

The notes on pages 11 to 19 form part of these financial statements.

ADMC Holding Limited

Notes to the Abbreviated Financial Statements

Year ended 31 December 2015

1. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

ADMC Holding Limited

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 December 2015

1. Accounting policies *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 25% straight line
Fixtures and fittings	- 25% straight line
Equipment	- 25% Straight line - none in year of purchase

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

ADMC Holding Limited

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 December 2015

1. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

2. Turnover

Turnover arises from:

	2015 £	2014 £
Machine build contracts	5,817,647	4,925,609
Tooling	1,049,972	797,281
Spare parts and servicing	1,055,792	1,005,604
	<u>7,923,411</u>	<u>6,728,494</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

3. Operating profit

Operating profit or loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible assets	18,653	15,800
Foreign exchange differences	113,429	48,184
Defined contribution plans expense	<u>19,615</u>	<u>17,750</u>

4. Auditor's remuneration

	2015 £	2014 £
Fees payable for the audit of the financial statements	<u>5,300</u>	<u>5,000</u>

ADMC Holding Limited

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 December 2015

5. Staff costs

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

	2015 No	2014 No
Production staff	13	13
Distribution staff	2	2
Administrative staff	13	12
Management staff	1	1
	<u>29</u>	<u>28</u>

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

	2015 £	2014 £
Wages and salaries	1,068,255	1,111,875
Social security costs	8,150	9,373
Other pension costs	19,615	17,750
	<u>1,096,020</u>	<u>1,138,998</u>

6. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2015 £	2014 £
Remuneration	80,193	90,666
Company contributions to defined contribution pension plans	4,795	4,703
	<u>84,988</u>	<u>95,369</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2015 No	2014 No
Defined contribution plans	<u>1</u>	<u>1</u>

7. Other interest receivable and similar income

	2015 £	2014 £
Interest on loans and receivables	7,970	—
Interest on cash and cash equivalents	14	8
	<u>7,984</u>	<u>8</u>

ADMC Holding Limited

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 December 2015

8. Tax on (loss)/profit on ordinary activities

Major components of tax (income)/expense

	2015 £	2014 £
Current tax:		
UK current tax (income)/expense	(23,932)	127,560
Adjustments in respect of prior periods	(48,199)	—
Total current tax	<u>(72,131)</u>	<u>127,560</u>
Deferred tax:		
Origination and reversal of timing differences	12,226	2,504
Impact of change in tax rate	(993)	—
Adjustments in respect of prior periods	—	7,423
Total deferred tax	<u>11,233</u>	<u>9,927</u>
Tax on (loss)/profit on ordinary activities	<u>(60,898)</u>	<u>137,487</u>

Reconciliation of tax (income)/expense

The tax assessed on the profit on ordinary activities for the year is lower than (2014: higher than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%).

	2015 £	2014 £
(Loss)/profit on ordinary activities before taxation	<u>(42,681)</u>	<u>609,515</u>
(Loss)/profit on ordinary activities by rate of tax	(8,641)	131,004
Adjustment to tax charge in respect of prior periods	(72,131)	7,423
Effect of expenses not deductible for tax purposes	234	2,573
Effect of capital allowances and depreciation	—	(187)
Utilisation of tax losses	22,159	—
Marginal relief	—	(3,326)
Impact of change in tax rate	(2,519)	—
Tax on (loss)/profit on ordinary activities	<u>(60,898)</u>	<u>137,487</u>

ADMC Holding Limited

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 December 2015

9. Tangible assets

	Short leasehold property £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost					
At 1 Jan 2015	–	35,174	2,378	41,943	79,495
Additions	61,113	–	3,130	22,332	86,575
At 31 Dec 2015	<u>61,113</u>	<u>35,174</u>	<u>5,508</u>	<u>64,275</u>	<u>166,070</u>
Depreciation					
At 1 Jan 2015	–	10,598	1,644	17,618	29,860
Charge for the year	–	10,058	555	8,040	18,653
At 31 Dec 2015	<u>–</u>	<u>20,656</u>	<u>2,199</u>	<u>25,658</u>	<u>48,513</u>
Carrying amount					
At 31 Dec 2015	<u>61,113</u>	<u>14,518</u>	<u>3,309</u>	<u>38,617</u>	<u>117,557</u>
At 31 Dec 2014	<u>–</u>	<u>24,576</u>	<u>734</u>	<u>24,325</u>	<u>49,635</u>

10. Investments

	Shares in group undertakings £
Cost	
At 1 Jan 2015 and 31 Dec 2015	<u>499,854</u>
Impairment	
At 1 Jan 2015 and 31 Dec 2015	<u>–</u>
Carrying amount	
At 31 December 2015	<u>499,854</u>

Subsidiaries, associates and other investments

The company owns 100% of the issued share capital of the Canadian company, AddisonMckee Canada ULC whose principal activities are that of manufacturing tooling.

Under the provision of section 398 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so. As the company is included in the accounts of a larger group, it is exempt from the obligation to provide the results of the subsidiary company as a separate entity.

ADMC Holding Limited

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 December 2015

11. Stocks

	2015 £	2014 £
Raw materials and consumables	907,964	576,699
Work in progress	411,705	122,398
	<u>1,319,669</u>	<u>699,097</u>

12. Debtors

	2015 £	2014 £
Trade debtors	710,640	1,656,906
Amounts owed by group undertakings	219,030	424,948
Prepayments and accrued income	691,819	33,806
Corporation tax repayable	23,932	—
Other debtors	287,245	60,322
	<u>1,932,666</u>	<u>2,175,982</u>

13. Creditors: amounts falling due within one year

	2015 £	2014 £
Payments received on account	—	274,534
Trade creditors	828,438	165,273
Amounts owed to group undertakings	1,394,497	1,459,476
Accruals and deferred income	729,665	218,063
Corporation tax	—	127,560
Social security and other taxes	30,399	35,120
	<u>2,982,999</u>	<u>2,280,026</u>

14. Deferred tax

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

	2015 £	2014 £
Included in provisions (note 15)	<u>21,160</u>	<u>9,927</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2015 £	2014 £
Accelerated capital allowances	<u>21,160</u>	<u>9,927</u>

ADMC Holding Limited

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 December 2015

15. Provisions

	Deferred tax (note 14) £
At 1 January 2015	9,927
Charge against provision	11,233
At 31 December 2015	<u>21,160</u>

16. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £19,615 (2014: £17,750).

17. Called up share capital

Issued, called up and fully paid

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

18. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

19. Operating leases

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

	2015 £	2014 £
Not later than 1 year	2,393	77,990
Later than 1 year and not later than 5 years	45,784	86,667
Later than 5 years	<u>911,534</u>	<u>—</u>
	<u>959,711</u>	<u>164,657</u>

20. Related party transactions

The company has taken advantage of the exemption included in FRS 102 Section 33 "Related Party Disclosures" (para 33.1A) for wholly owned subsidiaries not to disclose transactions with entities that are part of the group or investees of the group qualifying as related parties.

The company has granted a security in respect of the parent company's American bankers by way of a charge on the debtors of ADMC Holding Ltd.

ADMC Holding Limited

Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 December 2015

21. Controlling party

The parent company is ADMC Holding LLC, by way of owning 100% of the share capital. ADMC Holding LLC is incorporated in the United States of America.