Lymington Precision Engineers Co. Limited

Annual report and financial statements

Registered number 01543828

31 March 2016

Contents

Company Information

The board of directors	Mr A M Chalk (Resigned 31 March 2016) Mr D Harding Mr M J Barnes (Appointed 20 April 2016) Mr A J Bodenham (Appointed 20 April 2016)
Registered office	Gosport Street Lymington Hampshire SO41 9EE
Auditor	KPMG LLP Gateway House Tollgate Chandlers Ford SO53 3TG United Kingdom
Bankers	Lloyds Bank PLC Ground Floor 10 Gresham Street London EC2V 7AE

Strategic report

The directors present their strategic report and financial statements for the year ended 31 March 2016.

Principal Activities and Review of the Business

The principal activity of the company was that of precision engineering.

The companies' activities encompass nuclear, electronics, oil & gas and aerospace clients and its' ability to produce highly engineered solutions, combined with excellent customer relations, gives an opportunity to expand operations into other high technology sectors.

The Board has considered the challenges facing the business during the year and performance with regard to key performance indicators, as set out in the table below:-

	Year ended 31 March 2016 £000's	Year ended 31 March 2015 £000's	% Change
Turnover	**21,144**	50,666	(58.3%)
Gross margin	**5,969**	13,885	(57.0%)
Gross profit margin (%)	**28.2%**	27.4%	0.8%
(Loss)/ profit on ordinary activities before tax	**(364)**	6,693	(105.5%)

The company maintained its' continual investment in people and equipment. The company's investment in the Enterprise Resource Management (ERP) system, has enabled the company to better understand costs, increase customer service levels and maintain a good control environment. These systems continued to be developed through the year and will be spread further into the operations as we learn to use all its' abilities.

The company monitors its trade debtors and creditors on a monthly basis. The company also reports its cash position on a weekly cycle and projects the cash requirement forward for three months. The company has an ongoing programme of visiting its suppliers and sourcing new suppliers to ensure that it is not reliant on a single source of supply.

The directors have a reasonable expectation that the company has the support of its' ultimate parent company and so has adequate resources to continue in operation for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Results and dividend

The loss for the year, after taxation, amounted to £609,000 *(2015: profit of* £5,405,000). A dividend of £2,613,000 was declared and paid in year (2015: £6,700,000).

Financial instruments

The company holds financial instruments in order to achieve three main objectives, being:
(a) to finance its operations;
(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
(c) for trading purposes.

Strategic report *(continued)*

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Credit Risk
The company monitors credit risk closely and considers that its current policy of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Pricing policies are reviewed regularly and where appropriate, sales are covered with inflation clauses, to protect the company, in the event that raw material price increases. The Directors have extensively reviewed liquidity and cash flow risks and conclude that adequate safeguards are in place, in the normal run of business.

By order of the board

M Barnes
Director

Date: 20/12/16

Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2016.

Directors

The directors who held office during the year were as follows:

Mr A M Chalk (Resigned 31 March 2016)
Mr D Harding
Mr M J Barnes (Appointed 20 April 2016)
Mr A J Bodenham (Appointed 20 April 2016)

Political and charitable contributions

During the year the company made the following contributions:

	2016	2015
	£	£
Education	300	500
Health	150	4,300
Local community and other	3,235	3,549
	3,685	8,349

Research and development activities
The group is committed to research and development activities in order to secure its position in the market, however the difficult market conditions have restricted these activities.

Policy on payment of creditors
The group's current policy concerning the payment of trade creditors is to:
• settle the terms of payment with suppliers when agreeing the terms of each transaction;
• ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
• pay in accordance with the company's contractual and other legal obligations.

Employees
The Company recognises the benefits of keeping employees informed of the progress of the business. During the year the employees were regularly provided with information regarding the financial and economic factors affecting the performance of the Company and on other matters of concern to them as employees, through half-yearly meetings that all employees attended. These meetings allow communication of the views of employees to be taken into account in making decisions which are likely to affect their interests.

The Company's policy with regard to the employment of disabled persons is that equal consideration is given to all applications from both able and disabled persons, subject only to the overriding consideration of safety. The special needs of disabled employees for training and advancement are kept under review.

Directors' report *(continued)*

Post balance sheet events
Post year end the company changed its' accounting reference date to 31 December and therefore will issue a 9 month period of accounts to 31 December 2017.

Auditor
KPMG LLP have indicated their willingness to continue as auditor. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Disclosure of information to auditor
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the 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.

M Barnes
Director

Date: 20 DEC 2016

Gosport Street
Lymington
Hampshire
SO41 9EE
Date

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LYMINGTON PRECISION ENGINEERS CO. LIMITED

We have audited the financial statements of Lymington Precision Engineers Co. Limited for the year ended 31 March 2016 set out on pages 9 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LYMINGTON PRECISION ENGINEERS CO. LIMITED *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

W. Smith

William Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP (Statutory Auditor)

Chartered Accountants.
Gateway House
Tollgate
Chandlers Ford
SO53 3TG

Date: 20th December 2016

Profit and Loss Account and Other Comprehensive Income
For the year ended 31 March 2016

	Note	2016 £'000	2015 £'000
Turnover	2	**21,144**	50,666
Cost of sales		**(15,175)**	(36,781)
Gross profit		**5,969**	13,885
Administrative expenses *[including redundancy cost of £362k (2015: £nil)]*		**(6,287)**	(7,058)
Operating (loss)/ profit	3	**(318)**	6,827
Other interest receivable and similar income	6	**13**	12
Interest payable and similar charges	7	**(59)**	(146)
(Loss)/ profit on ordinary activities before taxation		**(364)**	6,693
Tax on (loss)/ profit on ordinary activities	8	**(245)**	(1,288)
(Loss)/ profit for the financial year		**(609)**	5,405

The results of the current period all relate to continuing activities.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes from pages 12 to 22 form a part of these financial statements.

Balance Sheet
At 31 March 2016

	Note	**2016**		2015	
		£'000	**£'000**	£'000	£'000
Fixed assets					
Tangible assets	*9*		**4,963**		4,998
Current assets					
Stocks	*10*	**2,473**		4,927	
Debtors	*11*	**3,212**		6,796	
Cash at bank and in hand		**-**		974	
		5,685		12,697	
Creditors: amounts falling due within one year	*12*	**(4,255)**		(7,828)	
Net current assets			**1,430**		4,869
Total assets less current liabilities			**6,393**		9,867
Creditors: amounts falling due after more than one year	*13*		**(1,028)**		(1,244)
Provisions for liabilities	*14*		**(140)**		(176)
Net assets			**5,225**		8,447
Capital and reserves					
Called up share capital	*15*		**-**		-
Profit and loss account			**5,225**		8,447
Shareholders' funds			**5,225**		8,447

These financial statements were approved by the board of directors on 20/12/16 and were signed on its behalf by:

M Barnes
Director

Company registered number: 01543828
The notes from pages 12 to 22 form a part of these financial statements.

Statement of changes in equity
For the year ended 31 March 2016

	Called up share capital	Profit & Loss account	Total equity
	£'000	£'000	£'000
Balance at 01 April 2014	-	9,742	9,742
Profit for the financial year	-	5,405	5,405
Dividends paid	-	(6,700)	(6,700)
Balance at 31 March 2015	-	8,447	8,447
Loss for the financial year	-	(609)	(609)
Dividends paid	-	(2,613)	(2,613)
Balance at 31 March 2016	-	5,225	5,225

Notes
(forming part of the financial statements)

1 Accounting policies

Lymington Precision Engineers Co. Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101").* The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking, Senior Plc includes the Company in its consolidated financial statements. The consolidated financial statements of Senior Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address given in note 18.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Senior Plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures.*

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 19.

Notes *(continued)*

1 Accounting policies *(continued)*

1.1 Going concern

The directors have received confirmation of continued financial support for the foreseeable future, and of access to the cash pooling arrangements, for at least 12 months from the date of signing these accounts, from the Senior UK Limited, the immediate parent company of Lymington Precision Engineering (LPE) Limited, which is the immediate parent company of Lymington Precision Engineers Co. Limited. Accordingly, the company continues to trade as a Going Concern.

1.2 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.3 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3 Tangible fixed assets (continued)

Depreciation is charged to the profit and loss account on over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Leasehold improvements	Straight line over 10 years or over the remaining life of the lease, whichever is shorter
Plant and machinery	25% reducing balance
Fixtures, fittings and equipment	Between 3 years straight line and 25% reducing balance
Motor vehicles	25% reducing balance

1.4 Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Provision for stock is made when it is expected that the net realisable value is below the carrying value.

1.6 Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Impairment excluding stocks, and deferred tax assets (continued)

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

1.7 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.8 Turnover

The turnover shown in the profit and loss account represents goods and services sold in the year, exclusive of Value Added Tax. Turnover is recognised where goods have been dispatched from the company's premises.

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.10 Share based payment transactions

Where the Company's parent grants rights to its equity instruments to the Group's or the Company's employees, which are accounted for as equity-settled in the consolidated accounts of the parent, the Group or the Company as the case may be account for these share-based payments as equity-settled.

The sharesave scheme allows employees to acquire shares in Senior plc, the company's ultimate parent company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity in the ultimate parent company's accounts. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. A charge from Senior Plc is recognised in the P&L account within this Company.

Notes *(continued)*

2 Turnover

	2016 **£'000**	2015 £'000
United Kingdom	**18,590**	44,689
Rest of World	**2,554**	5,977
Total turnover	**21,144**	50,666

All turnover originates in the United Kingdom

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2016 **£000**	2015 £000
Depreciation and other amounts written off tangible fixed assets		
Owned	**641**	781
Leased	**271**	186
(Profit) / Loss on disposal of fixed assets	**(2)**	3
Operating leases/ rental:		
Property	**634**	518
Other	**113**	153
Research and development expensed as incurred	**466**	856
Foreign Exchange Loss	**18**	60

Auditor's remuneration:

	2016 **£000**	2015 £000
Audit of these financial statements	**25**	23
Amounts receivable by the company's auditor and its associates in respect of:		
Other services related to tax	**8**	32
Other services	**3**	3

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2016	2015
Productive Staff	**83**	109
Administrative staff	**90**	105
	173	214

The aggregate payroll costs of these persons were as follows:

	2016	2015
	£000	£000
Wages and salaries	**6,589**	8,596
Social security costs	**677**	905
Other pension costs	**354**	418
	7,620	9,919

5 Directors' remuneration

	2016	2015
	£000	£000
Directors' remuneration	**200**	623
Company contributions to money purchase pension plans	**14**	48
	214	671

The aggregate of emoluments in the period of the highest paid director was £200,000 *(2015: £194,000)*, and Company pension contributions of £14,000 *(2015: £15,000)* were made to a money purchase scheme on his behalf.

One Director, D Harding, was not remunerated by the Company for his services. He is paid by another entity within the Group and it is not considered practicable to split his services between entities.

6 Other interest receivable and similar income

	2016	2015
	£000	£000
Total other interest receivable	**13**	12

Notes *(continued)*

7 Interest payable and similar charges

	2016 £000	2015 £000
On bank loans and overdrafts	-	18
Finance charges	6	72
Other similar charges payable	53	56
Total interest payable and similar charges	59	146

8 Taxation

Recognised in the profit and loss account

	2016 £'000	2015 £'000
UK corporation tax		
Current tax on income for the period	(52)	1,072
Adjustments in respect of prior periods	333	142
Total current tax	281	1,214
Deferred tax (see note 14)		
Origination and reversal of temporary differences	(35)	78
Effect of change in tax rate	(1)	(4)
Total deferred tax	(36)	74
Tax on (loss) / profit on ordinary activities	245	1,288

Reconciliation of effective tax rate

	2016 £000	2015 £000
(Loss)/ profit for the year	(609)	5,405
Total tax expense	245	1,288
(Loss)/ profit excluding taxation	(364)	6,693
Tax using the UK corporation tax rate of 20% (2015: 21%)	(73)	1,406
Effects of :		
Fixed asset differences		3
Expenses not deductible for tax purposes	3	6
Depreciation in period in excess of capital allowances	(4)	(88)
R&D claim	-	(234)
Group relief for nil consideration	-	(27)
Adjustments to tax charge in respect of previous periods	333	142
Other short term timing differences	22	6
Deferred tax	(36)	74
Total tax expense	245	1,288

Notes *(continued)*

9 Tangible fixed assets

	Land and buildings £'000	Plant and equipment £'000	Fixtures & fittings £'000	Motor Vehicles £'000	Total £'000
Cost					
Balance at 01 April 2014	835	15,790	1,735	101	18,461
Additions	219	1,388	94	16	1,717
Disposals	-	(19)	-	(78)	(97)
Balance at 31 March 2015	1,054	17,159	1,829	39	20,081
At beginning of period	1,054	17,159	1,829	39	20,081
Additions	143	732	37	-	912
At end of period	1,197	17,891	1,866	39	20,993
Depreciation and impairment					
Balance at 01 April 2014	466	12,084	1,565	72	14,187
Depreciation charge for the year	95	718	148	7	968
Disposals	-	(18)	-	(54)	(72)
Balance at 31 March 2015	561	12,784	1,713	25	15,083
At beginning of period	561	12,784	1,713	25	15,083
Depreciation charge for the year	99	778	66	4	947
At end of period	660	13,562	1,779	29	16,030
Net book value					
At 01 April 2014	369	3,706	170	29	4,274
At 31 March 2015	493	4,375	116	14	4,998
At 31 March 2016	**537**	**4,329**	**87**	**10**	**4,963**

Included in the total net book value of plant & equipment is £1,756,000 (2015: £1,942,000) in respect of assets held under finance leases. Depreciation for the period on these assets was £186,000 (2015: £186,000).

The net book value of land and buildings comprises:

	2016 £'000	2015 £'000
Long leasehold	**537**	493

Notes *(continued)*

10 Stocks

	2016	2015
	£'000	£'000
Raw materials and consumables	**1,046**	887
Work in progress	**1,531**	3,742
Finished goods	**3,681**	4,946
Provision	**(3,785)**	(4,648)
	2,473	4,927

11 Debtors

	2016	2015
	£'000	£'000
Trade debtors	**2,597**	5,839
Amounts owed by group undertakings	**-**	562
Other debtors	**-**	12
Prepayments	**615**	383
	3,212	6,796

12 Creditors: amounts falling due within one year

	2016	2015
	£'000	£'000
Hire purchase agreements	**531**	510
Bank overdraft	**432**	-
Trade creditors	**1,368**	3,317
Amounts owed to group undertakings	**-**	-
Corporation tax	**294**	398
Other taxation and social security	**447**	1,160
Accruals	**1,183**	2,443
	4,255	7,828

Security

The hire purchase agreements are secured on the assets concerned.

Notes *(continued)*

13 Creditors: amounts falling due after more than one year

	2016 £'000	2015 £'000
Accruals	**315**	-
Obligations under finance leases and hire purchase contracts	**713**	1,244
	1,028	1,244

14 Provisions

	Deferred taxation £'000
At beginning of year	176
Debit to the P&L	(36)
Balance at 31 March 2016	**140**

15 Capital and reserves

Share capital

	2015 £
Allotted, called up and fully paid	
100 Ordinary shares of £ 1each	100

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.