



Smailes Goldie
Chartered Accountants

Needlers Limited

Financial Statements

31st December 2015



Needlers Limited (Registered number: 05536210)

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Needlers Limited

Company Information

for the year ended 31st December 2015

DIRECTORS:

A J Needler
Mrs A K Needler
R J Russell
J R Shipley
D J Glew

SECRETARY:

J R Shipley

REGISTERED OFFICE:

Reldeen House
Wyke Way
Melton West Business Park
Melton
East Yorkshire
HU14 3BQ

REGISTERED NUMBER:

05536210 (England and Wales)

AUDITORS:

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

Needlers Limited (Registered number: 05536210)

Strategic Report

for the year ended 31st December 2015

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

REVIEW OF BUSINESS

The company continued to perform well throughout the year, with reasonable sales growth. The market remained highly competitive with margins under continued pressure from food manufacturers. The business will continue to seek large group accounts; however the focus towards the smaller independent food manufacturers has helped deliver an additional £1.7m of sales which broadens our customer base further and dilutes the risk of the larger food group customers.

The business made significant changes in our operational process, investing in additional resource within the supply chain team along with a further £400k investment in stock with the aim of achieving world class service levels. Post year end service levels above 98.8% for OTIF have been consistently achieved.

A number of significant improvements were made to our workwear operational process along with investments in additional capacity with the purchase of additional embroidery machines. Post year end a £200k investment was made in a new workwear workshop which will allow the business to grow to its £10m target.

The business put in place a dedicated HR resource and has set out a clear people plan to help the business achieve its long term objectives as well as ensure the business is retaining and developing its dedicated and hard working team.

The company has a strong sales pipeline which will deliver a minimum of £2.0m additional sales during 2016.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are considered to relate to:

- Currency Risk, which the company manages by putting in place a mixture of currency hedges at minimum of six months in advance
- Raw material risk. The company is subject to price movements in key raw materials including oil (plastic products), latex and cotton. The company tries to mitigate these risks by agreeing forward contracts with suppliers
- Bad Debt Risk. The financial health of our key customers is a risk to the business and the company has in place credit insurance protection on companies with in excess of £10,000 credit line to mitigate this.
- Availability of funding. The business has an excellent relationship with its bank and provides quarterly management figures and regularly reviews the performance of the business with the bank.

Needlers Limited (Registered number: 05536210)

Strategic Report

for the year ended 31st December 2015

ANALYSIS OF PERFORMANCE

The business is monitored by the Board and by external professionals. The overall performance of the company is measured through the use of the key performance indicators the principal KPI's are

- Sales Growth
- Gross profit % Margin
- Operating Profit as a % of sales
- Average debtor days
- Headroom in bank facilities

With the exception of bank headroom, these figures are evident from the financial statements.

ON BEHALF OF THE BOARD:



A J Needler - Director

21st July 2016

Needlers Limited (Registered number: 05536210)

Report of the Directors

for the year ended 31st December 2015

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

DIVIDENDS

Interim dividends of £75,000 were paid during the year. The directors recommend that no final dividend be paid.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2015 to the date of this report.

A J Needler
Mrs A K Needler
R J Russell

Other changes in directors holding office are as follows:

J R Shipley - appointed 1st January 2015

D J Glew was appointed as a director after 31st December 2015 but prior to the date of this report.

A Mercer ceased to be a director after 31st December 2015 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

Needlers Limited (Registered number: 05536210)

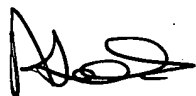
Report of the Directors

for the year ended 31st December 2015

AUDITORS

The auditors, Smailes Goldie, 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 be 'A J Needler', written over a horizontal line.

A J Needler - Director

21st July 2016

Report of the Independent Auditors to the Members of Needlers Limited

We have audited the financial statements of Needlers Limited for the year ended 31st December 2015 on pages eight to twenty seven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors 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 Needlers Limited

Matters on which we are required to report by exception

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

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

Ian Lamb FCA CF (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

21st July 2016

Needlers Limited (Registered number: 05536210)

Statement of Comprehensive Income for the year ended 31st December 2015

	Notes	2015 £	2014 £
TURNOVER	2	23,963,386	22,251,528
Cost of sales		<u>18,485,348</u>	<u>17,087,804</u>
GROSS PROFIT		5,478,038	5,163,724
Distribution costs		392,080	398,857
Administrative expenses		<u>4,414,107</u>	<u>4,028,631</u>
		<u>4,806,187</u>	<u>4,427,488</u>
		671,851	736,236
Other operating income		<u>20,470</u>	<u>(13,019)</u>
OPERATING PROFIT	4	692,321	723,217
Interest payable and similar charges	5	<u>72,607</u>	<u>100,532</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		619,714	622,685
Tax on profit on ordinary activities	6	<u>132,028</u>	<u>151,420</u>
PROFIT FOR THE FINANCIAL YEAR		487,686	471,265
OTHER COMPREHENSIVE INCOME			
Cashflow hedge		(74,143)	260,653
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(74,143)</u>	<u>260,653</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>413,543</u>	<u>731,918</u>

The notes form part of these financial statements

Needlers Limited (Registered number: 05536210)

Balance Sheet

31st December 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	8	304,710	343,039
Tangible assets	9	529,983	537,686
Investments	10	<u>2,364</u>	<u>2,364</u>
		837,057	883,089
CURRENT ASSETS			
Stocks	11	3,562,791	3,134,082
Debtors	12	6,257,804	6,222,527
Cash at bank and in hand		<u>187,180</u>	<u>89,933</u>
		10,007,775	9,446,542
CREDITORS			
Amounts falling due within one year	13	<u>7,460,330</u>	<u>7,266,866</u>
NET CURRENT ASSETS		2,547,445	2,179,676
TOTAL ASSETS LESS CURRENT LIABILITIES		3,384,502	3,062,765
CREDITORS			
Amounts falling due after more than one year	14	(317,872)	(358,154)
PROVISIONS FOR LIABILITIES	19	<u>(72,889)</u>	<u>(49,413)</u>
NET ASSETS		<u>2,993,741</u>	<u>2,655,198</u>
CAPITAL AND RESERVES			
Called up share capital	20	90,000	90,000
Share premium	21	743,578	743,578
Retained earnings	21	<u>2,160,163</u>	<u>1,821,620</u>
SHAREHOLDERS' FUNDS		<u>2,993,741</u>	<u>2,655,198</u>

The financial statements were approved by the Board of Directors on 21st July 2016 and were signed on its behalf by:



A J Needler - Director

The notes form part of these financial statements

Needlers Limited (Registered number: 05536210)

Statement of Changes in Equity for the year ended 31st December 2015

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st January 2014	90,000	1,164,702	743,578	1,998,280
Changes in equity				
Dividends	-	(75,000)	-	(75,000)
Total comprehensive income	-	<u>731,918</u>	-	<u>731,918</u>
Balance at 31st December 2014	<u>90,000</u>	<u>1,821,620</u>	<u>743,578</u>	<u>2,655,198</u>
Changes in equity				
Dividends	-	(75,000)	-	(75,000)
Total comprehensive income	-	<u>413,543</u>	-	<u>413,543</u>
Balance at 31st December 2015	<u>90,000</u>	<u>2,160,163</u>	<u>743,578</u>	<u>2,993,741</u>

The notes form part of these financial statements

Needlers Limited (Registered number: 05536210)

Notes to the Financial Statements

for the year ended 31st December 2015

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Needlers Limited is a limited company incorporated in the United Kingdom. The address of the registered office is given in the company information on page 1 of these financial statements.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The company adopted FRS 102 in the current year and an explanation of how transition to FRS 102 has affected the reported financial position and performance is given on pages 19-22.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d).

Preparation of consolidated financial statements

The financial statements contain information about Needlers Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Needlers Holdings Limited, a company registered in England & Wales.

Turnover

Turnover is the amount receivable, excluding value added tax, in the ordinary course of business for goods supplied as a principal and for services provided. The policy adopted for the recognition of turnover is as follows:

Sale of goods

Turnover from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

Goodwill

Goodwill, being the amount capitalised under business combinations, is written off evenly over its estimated economic life of 10 years and is stated in the balance sheet as fair value cost less amounts written off.

Patents and licences

Patents, trademarks and licences are capitalised at cost. They are being amortised on a straight line basis over their estimated useful economic life of ten years. values are reviewed annually to ensure any impairments are accounted for.

Needlers Limited (Registered number: 05536210)

Notes to the Financial Statements - continued

for the year ended 31st December 2015

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is calculated to write down the original costs of assets over their expected useful lives.

The rates generally applicable are:

Improvements to leasehold property	over remaining period of the lease
Motor vehicles	over 4 years
Plant and equipment	between 2 and 5 years

Stocks

Stocks are stated 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 stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only 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 balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Needlers Limited (Registered number: 05536210)

Notes to the Financial Statements - continued

for the year ended 31st December 2015

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Assets acquired under finance leases and hire purchase contracts are treated as fixed assets. The amount capitalised is the present value of the minimum lease payments payable during the lease term. Depreciation is charged to the profit and loss account in accordance with the normal depreciation policy.

The corresponding lease commitments are shown as liabilities. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.

Incentives received in the course of entering in to operating leases are smoothed over the full term of the lease up to the date of the first rent review.

Pension costs and other post-retirement benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company, together with other companies formed on the reorganisation of Lightowler Limited, operates a defined contributions scheme for its directors and senior management which is independently administered. The pension cost charge represents contributions payable by the company to the scheme.

Investments

Fixed asset investments are included at cost unless, in the opinion of the directors, there is a permanent diminution in the value of these investments, in which case a provision is made against the deficit.

Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expense is incurred.

Needlers Limited (Registered number: 05536210)

Notes to the Financial Statements - continued for the year ended 31st December 2015

1. ACCOUNTING POLICIES - continued

Derivatives

Derivative financial instruments are initially measured at fair value at the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. The company uses derivatives to reduced the risk of currency fluctuation from trading in foreign currencies.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company complies with current UK legislation in making payments to a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

2. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2015 £	2014 £
United Kingdom	23,364,412	21,845,504
Europe	598,974	406,024
	<u>23,963,386</u>	<u>22,251,528</u>

3. STAFF COSTS

	2015 £	2014 £
Wages and salaries	2,247,281	1,948,035
Social security costs	203,500	195,910
Other pension costs	1,093	-
	<u>2,451,874</u>	<u>2,143,945</u>

Needlers Limited (Registered number: 05536210)

Notes to the Financial Statements - continued for the year ended 31st December 2015

3. STAFF COSTS - continued

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

	2015	2014
Directors	5	4
Sales and administration staff	79	64
	<u>84</u>	<u>68</u>

4. OPERATING PROFIT

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

	2015 £	2014 £
Hire of plant and machinery	110,349	143,172
Depreciation - owned assets	79,369	80,157
Depreciation - assets on hire purchase contracts	147,730	159,120
(Profit)/loss on disposal of fixed assets	(315)	11,919
Goodwill amortisation	29,329	29,160
Patents and licences amortisation	9,000	7,958
Auditors' remuneration	7,800	7,700
Foreign exchange differences	<u>(13,306)</u>	<u>20,181</u>
Directors' remuneration	348,479	288,296
Directors' pension contributions to money purchase schemes	<u>1,093</u>	<u>-</u>

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

Money purchase schemes	<u>5</u>	<u>4</u>
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Information regarding the highest paid director is as follows:

	2015 £	2014 £
Emoluments etc	158,948	159,406
Pension contributions to money purchase schemes	<u>365</u>	<u>-</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Bank, loan and invoice financing interest	47,543	49,949
Invoice financing charges	14,413	35,683
Hire purchase	<u>10,651</u>	<u>14,900</u>
	<u>72,607</u>	<u>100,532</u>

Needlers Limited (Registered number: 05536210)

Notes to the Financial Statements - continued for the year ended 31st December 2015

6. 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	108,552	149,892
Deferred tax	<u>23,476</u>	<u>1,528</u>
Tax on profit on ordinary activities	<u>132,028</u>	<u>151,420</u>

Reconciliation of total tax charge included in profit and loss

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

	2015 £	2014 £
Profit on ordinary activities before tax	<u>619,714</u>	<u>622,685</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 21%)	123,943	130,764
Effects of:		
Capital allowances in excess of depreciation	(18,878)	-
Depreciation in excess of capital allowances	-	2,785
Adjustments to tax charge in respect of previous periods	-	667
Expenses not deductible for tax purposes	2,295	8,188
Marginal rate relief	(131)	(193)
Change in rate of corporation tax	1,323	3,443
FRS102 adjustment	-	4,238
Deferred tax	<u>23,476</u>	<u>1,528</u>
Total tax charge	<u>132,028</u>	<u>151,420</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2015 Tax £	Net £
Cashflow hedge	(74,143)	-	(74,143)
	<u>(74,143)</u>	<u>-</u>	<u>(74,143)</u>
	Gross £	2014 Tax £	Net £
Cashflow hedge	260,653	-	260,653
	<u>260,653</u>	<u>-</u>	<u>260,653</u>

Needlers Limited (Registered number: 05536210)

Notes to the Financial Statements - continued for the year ended 31st December 2015

7. DIVIDENDS

	2015 £	2014 £
Ordinary shares of £1 each Interim	<u>75,000</u>	<u>75,000</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill £	Patents and licences £	Totals £
COST			
At 1st January 2015 and 31st December 2015	<u>293,293</u>	<u>90,000</u>	<u>383,293</u>
AMORTISATION			
At 1st January 2015	29,160	11,094	40,254
Amortisation for year	<u>29,329</u>	<u>9,000</u>	<u>38,329</u>
At 31st December 2015	<u>58,489</u>	<u>20,094</u>	<u>78,583</u>
NET BOOK VALUE			
At 31st December 2015	<u>234,804</u>	<u>69,906</u>	<u>304,710</u>
At 31st December 2014	<u>264,133</u>	<u>78,906</u>	<u>343,039</u>

9. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Motor vehicles £	Office Equipment £	Totals £
COST					
At 1st January 2015	130,432	353,186	465,289	362,572	1,311,479
Additions	11,088	98,643	106,350	11,000	227,081
Disposals	-	(10,500)	-	(21,859)	(32,359)
At 31st December 2015	<u>141,520</u>	<u>441,329</u>	<u>571,639</u>	<u>351,713</u>	<u>1,506,201</u>
DEPRECIATION					
At 1st January 2015	23,170	247,568	258,886	244,169	773,793
Charge for year	8,998	52,109	102,916	63,076	227,099
Eliminated on disposal	-	(3,575)	-	(21,099)	(24,674)
At 31st December 2015	<u>32,168</u>	<u>296,102</u>	<u>361,802</u>	<u>286,146</u>	<u>976,218</u>
NET BOOK VALUE					
At 31st December 2015	<u>109,352</u>	<u>145,227</u>	<u>209,837</u>	<u>65,567</u>	<u>529,983</u>
At 31st December 2014	<u>107,262</u>	<u>105,618</u>	<u>206,403</u>	<u>118,403</u>	<u>537,686</u>

Needlers Limited (Registered number: 05536210)

Notes to the Financial Statements - continued for the year ended 31st December 2015

9. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Office Equipment £	Totals £
COST				
At 1st January 2015	168,571	402,202	17,575	588,348
Additions	<u>65,000</u>	<u>106,350</u>	<u>-</u>	<u>171,350</u>
At 31st December 2015	<u>233,571</u>	<u>508,552</u>	<u>17,575</u>	<u>759,698</u>
DEPRECIATION				
At 1st January 2015	86,765	196,135	10,252	293,152
Charge for year	<u>39,131</u>	<u>102,741</u>	<u>5,858</u>	<u>147,730</u>
At 31st December 2015	<u>125,896</u>	<u>298,876</u>	<u>16,110</u>	<u>440,882</u>
NET BOOK VALUE				
At 31st December 2015	<u>107,675</u>	<u>209,676</u>	<u>1,465</u>	<u>318,816</u>
At 31st December 2014	<u>81,806</u>	<u>206,067</u>	<u>7,323</u>	<u>295,196</u>

10. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertaking £	Unlisted investments £	Totals £
COST			
At 1st January 2015 and 31st December 2015	<u>2,000</u>	<u>364</u>	<u>2,364</u>
NET BOOK VALUE			
At 31st December 2015	<u>2,000</u>	<u>364</u>	<u>2,364</u>
At 31st December 2014	<u>2,000</u>	<u>364</u>	<u>2,364</u>

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

B & W (Hygiene Services) Company Limited

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

The directors are of the opinion that the unlisted investments have a value substantially in excess of their cost but no formal valuation has been carried out.

Investments are measured at cost less impairment on the basis that they represent shares in entities that are not publicly traded and the fair value cannot otherwise be measured reliably.

Needlers Limited (Registered number: 05536210)

Notes to the Financial Statements - continued for the year ended 31st December 2015

11. STOCKS

	2015 £	2014 £
Stocks	<u>3,562,791</u>	<u>3,134,082</u>

Stock recognised in cost of sales during the year as an expense was £17,743,312 (2014 £16,572,715). Included in this is an impairment loss of £100,145 (2014 £9,035) in relation to slow moving and obsolete stock.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	5,503,397	5,490,129
Amounts owed by group undertakings	246,903	117,687
Other debtors	243,886	375,188
Prepayments and accrued income	<u>263,618</u>	<u>239,523</u>
	<u>6,257,804</u>	<u>6,222,527</u>

Included within trade debtors are balances totalling £3,583,037 (2014 £5,452,295) that are subject to factoring arrangements. The trade debtor balances have been transferred to the counterparty, though the transaction does not qualify for derecognition on the basis that the risk / reward is retained by the company. The associated liability recognised in creditors amounts to £1,995,802 (2014 £1,645,112).

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Bank loans and overdrafts (see note 15)	25,019	200,733
Hire purchase contracts (see note 16)	115,379	114,930
Trade creditors	3,588,869	3,814,801
Tax	108,983	150,323
Social security and other taxes	78,657	68,639
VAT	177,054	219,375
Other creditors	9,467	9,347
Amounts owed to subsidiary undertaking	2,000	2,000
Invoice financing advances	1,995,802	1,645,112
Accruals and deferred income	<u>1,359,100</u>	<u>1,041,606</u>
	<u>7,460,330</u>	<u>7,266,866</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £	2014 £
Preference shares (see note 15)	150,000	150,000
Hire purchase contracts (see note 16)	143,888	123,205
Other creditors	<u>23,984</u>	<u>84,949</u>
	<u>317,872</u>	<u>358,154</u>

Needlers Limited (Registered number: 05536210)

Notes to the Financial Statements - continued for the year ended 31st December 2015

15. LOANS

An analysis of the maturity of loans is given below:

	2015 £	2014 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>25,019</u>	<u>200,733</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Preference shares	<u>150,000</u>	<u>150,000</u>

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:			2015	2014
Number:	Class:	Nominal value:	£	£
150,000	Preference	£1	<u>150,000</u>	<u>150,000</u>

The preference shares, which have no fixed redemption date but may be redeemed, at the option of the company, in blocks of at least 10,000 preference shares, carry no voting rights and carry the right on a winding-up or other return of capital to repayment in priority to the holders of any other class of shares.

The preference shares carry a fixed cumulative preferential dividend at a rate of 6% per annum. The holder of the preference shares has waived the right to receive a dividend in respect of the period up to 31st December 2015.

Needlers Limited (Registered number: 05536210)

Notes to the Financial Statements - continued for the year ended 31st December 2015

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2015	2014
	£	£
Gross obligations repayable:		
Within one year	122,923	122,909
Between one and five years	149,720	127,746
	<u>272,643</u>	<u>250,655</u>
Finance charges repayable:		
Within one year	7,544	7,979
Between one and five years	5,832	4,541
	<u>13,376</u>	<u>12,520</u>
Net obligations repayable:		
Within one year	115,379	114,930
Between one and five years	143,888	123,205
	<u>259,267</u>	<u>238,135</u>
	Non-cancellable operating leases	
	2015	2014
	£	£
Within one year	353,431	362,777
Between one and five years	1,110,099	1,159,361
In more than five years	1,618,192	1,873,696
	<u>3,081,722</u>	<u>3,395,834</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2015	2014
	£	£
Bank overdrafts	25,019	200,733
Invoice financing	1,995,802	1,645,112
	<u>2,020,821</u>	<u>1,845,845</u>

The bank overdraft and invoice financing liability are secured by a fixed and floating charge over the assets of the company.

Needlers Limited (Registered number: 05536210)

Notes to the Financial Statements - continued for the year ended 31st December 2015

18. FINANCIAL INSTRUMENTS

During the year Needlers Limited entered into a number of cash flow hedge arrangements to protect the company against the volatility of foreign exchange rate movements.

The change in fair value of the hedged instruments recognised in other comprehensive income for the period was £74,143.

The excess of the fair value of the hedging instrument over the change in fair value of the expected cash flows recognised in the profit and loss for the period was £13,306.

19. PROVISIONS FOR LIABILITIES

	2015 £	2014 £
Deferred tax	<u>72,889</u>	<u>49,413</u>
		Deferred tax £
Balance at 1st January 2015		<u>49,413</u>
Charge to Statement of Comprehensive Income during year		<u>23,476</u>
Balance at 31st December 2015		<u>72,889</u>

The expected net reversal of deferred tax assets and liabilities in 2016 is £36,466. This is due to the reversal of accelerated capital allowances.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2015 £	2014 £
Number:	Class:			
90,000	Ordinary	£1	<u>90,000</u>	<u>90,000</u>

Needlers Limited (Registered number: 05536210)

Notes to the Financial Statements - continued for the year ended 31st December 2015

21. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1st January 2015	1,821,620	743,578	2,565,198
Profit for the year	487,686		487,686
Dividends	(75,000)		(75,000)
Cashflow hedge reserve	(74,143)	-	(74,143)
At 31st December 2015	<u>2,160,163</u>	<u>743,578</u>	<u>2,903,741</u>

Called up share capital

Called up share capital represents the nominal value of shares that have been issued.

Share Premium account

The share premium account represents the premium arising on the issue of shares net of issue costs.

Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

Cash flow hedge reserve

Where financial instruments and investment properties are measured at fair value a transfer is made to the non-distributable reserve, instead of a transfer to retained earnings, to assist with the identification of profits available for distribution.

22. PENSION COMMITMENTS

The company makes payments in to a defined contribution pension scheme. The charge for the year amounted to £11,954 (2014 £nil). The amount outstanding at 31 December 2015 was £nil (2014 £nil).

23. ULTIMATE PARENT COMPANY

The ultimate parent company is Needlers Holdings Limited, a company controlled by A.J. Needler.

24. CONTINGENT LIABILITIES

The company has entered into an unlimited guarantee in respect of the bank borrowings of its parent company. At 31st December 2015 the potential liability of the company under the arrangement was £nil (2014 £nil).

25. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions in respect of transactions and balances with its parent and ultimate parent company.

26. ULTIMATE CONTROLLING PARTY

The company was controlled throughout the period by A.J.Needler by virtue of his controlling shareholding of this company's parent company, Needlers Holdings Limited.

Notes to the Financial Statements - continued
for the year ended 31st December 2015

27. FIRST YEAR ADOPTION

The company has adopted FRS 102 for the first time in the year ended 31st December 2015.

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014.

The effect of transition from the previous financial reporting framework is outlined below:

a) Changes in accounting policies

Consequential and other changes in accounting policies resulting from the adoption of FRS 102 relate to:

- i) The policy for accounting for impairment of Goodwill generated as a result of business combinations was amended to reflect a ten year useful economic life as a result of the transition to FRS 102.
- ii) The company is adopting the provisions of Section 12 of FRS 102 - Other financial instruments in recognising derivatives and financial instruments.

b) Reconciliation of equity shareholders' funds

The effect of the adjustments to previously reported equity shareholders' funds at the date of transition to FRS 102 is shown on pages 20 and 21 of these financial statements.

c) Reconciliation of comparative period profit or loss

The adjustment to previously reported profit or loss in the comparative period is shown on page 20 of these financial statements.

Needlers Limited (Registered number: 05536210)

Reconciliation of Equity

1st January 2014

(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		334,781	-	334,781
Tangible assets		606,764	-	606,764
Investments		2,364	-	2,364
		<u>943,909</u>	<u>-</u>	<u>943,909</u>
CURRENT ASSETS				
Stocks		2,868,017	-	2,868,017
Debtors		5,502,043	-	5,502,043
Cash at bank and in hand		410,313	-	410,313
		<u>8,780,373</u>	<u>-</u>	<u>8,780,373</u>
CREDITORS				
Amounts falling due within one year		(7,177,074)	(126,889)	(7,303,963)
NET CURRENT ASSETS		<u>1,603,299</u>	<u>(126,889)</u>	<u>1,476,410</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,547,208	(126,889)	2,420,319
CREDITORS				
Amounts falling due after more than one year		(374,154)	-	(374,154)
PROVISIONS FOR LIABILITIES		<u>(47,885)</u>	<u>-</u>	<u>(47,885)</u>
NET ASSETS		<u>2,125,169</u>	<u>(126,889)</u>	<u>1,998,280</u>
CAPITAL AND RESERVES				
Called up share capital		90,000	-	90,000
Share premium		743,578	-	743,578
Retained earnings		1,291,591	(126,889)	1,164,702
SHAREHOLDERS' FUNDS		<u>2,125,169</u>	<u>(126,889)</u>	<u>1,998,280</u>

The notes form part of these financial statements

Needlers Limited (Registered number: 05536210)

Reconciliation of Equity - continued

31st December 2014

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		346,216	(3,177)	343,039
Tangible assets		537,686	-	537,686
Investments		2,364	-	2,364
		<u>886,266</u>	<u>(3,177)</u>	<u>883,089</u>
CURRENT ASSETS				
Stocks		3,134,082	-	3,134,082
Debtors		6,108,944	113,583	6,222,527
Cash at bank and in hand		89,933	-	89,933
		<u>9,332,959</u>	<u>113,583</u>	<u>9,446,542</u>
CREDITORS				
Amounts falling due within one year		<u>(7,266,866)</u>	<u>-</u>	<u>(7,266,866)</u>
NET CURRENT ASSETS		<u>2,066,093</u>	<u>113,583</u>	<u>2,179,676</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,952,359	110,406	3,062,765
CREDITORS				
Amounts falling due after more than one year		(358,154)	-	(358,154)
PROVISIONS FOR LIABILITIES		<u>(49,413)</u>	<u>-</u>	<u>(49,413)</u>
NET ASSETS		<u>2,544,792</u>	<u>110,406</u>	<u>2,655,198</u>
CAPITAL AND RESERVES				
Called up share capital		90,000	-	90,000
Share premium		743,578	-	743,578
Retained earnings		<u>1,711,214</u>	<u>110,406</u>	<u>1,821,620</u>
SHAREHOLDERS' FUNDS		<u>2,544,792</u>	<u>110,406</u>	<u>2,655,198</u>

The notes form part of these financial statements

Needlers Limited (Registered number: 05536210)

Reconciliation of Profit

for the year ended 31st December 2014

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	22,251,528	-	22,251,528
Cost of sales	<u>(17,087,804)</u>	<u>-</u>	<u>(17,087,804)</u>
GROSS PROFIT	5,163,724	-	5,163,724
Distribution costs	(398,857)	-	(398,857)
Administrative expenses	(4,025,454)	(3,177)	(4,028,631)
Other operating income	<u>7,162</u>	<u>(20,181)</u>	<u>(13,019)</u>
OPERATING PROFIT	746,575	(23,358)	723,217
Interest payable and similar charges	<u>(100,532)</u>	<u>-</u>	<u>(100,532)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	646,043	(23,358)	622,685
Tax on profit on ordinary activities	<u>(151,420)</u>	<u>-</u>	<u>(151,420)</u>
PROFIT FOR THE FINANCIAL YEAR	<u>494,623</u>	<u>(23,358)</u>	<u>471,265</u>

The notes form part of these financial statements