Clarke UK Limited

Report and Financial Statements

31 December 2016

Directors
D Petrie
J Blackwood

Secretary
P Loebig

Auditors
Ernst & Young LLP
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5 George Square
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G1 2DY

Bankers
The Royal Bank of Scotland plc
37 High Street
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G82 1LX

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Dundas & Wilson
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Registered No. SC081670

Strategic report

The directors present their strategic report and for the year ended 31 December 2016.

Review of the business and future developments

The principal activities of the company throughout the year were to provide diesel engines to the industrial sprinkler and commercial sectors.

The profit for the year, after taxation, amounted to £1,744,084 (2015 – profit of £1,813,444). An ordinary dividend of £nil was paid in the year (2015 - £nil). Preference dividends of £7,066 (2015 – £7,328) were paid during the year.

The year started off very well for us and despite the usual challenges to our business of increased competition globally and fluctuating currencies we were quietly confident that our strategy was on course to give us further growth in engine sales and an increased turnover.

Then Brexit happened - and by early July it was obvious that normal currency fluctuations were replaced by the £ losing 10% of its value against other currencies.

To combat this we carried out a number of changes – one example was, with Europe being our biggest market, we changed our £ price lists over to € in an attempt to nullify the negative impact on ourselves and more importantly for our valued customer base.

For the rest of the year we concentrated in meeting and improving our product lead time to the market place because on top of the Brexit challenges we still had to contend with our competition.

Despite such an eventful year this was our best ever performance with our turnover of 2015 increasing from £23.6m to £29.4m in 2016 and our engine sales increasing by 627. Yes our margin did drop from 27.7% to 25.3% but the increase in sales ensured we had another profitable year.

The biggest threat we face in 2017 will be the increasing cost of our product lines with the inability to increase pricing in a very competitive and complicated market place, this will I am sure, reduce our margins. However, in saying that, our aim is to continue to increase our turnover and continue to grow in new and existing markets.

The Board of Directors in USA were satisfied with our performance in 2016 and we are aiming to do the same in 2017.

Principal risks and uncertainties

Competitive risks

The company is at risk from aggressive pricing and goods delivery strategies from its competitors. The company is focused on cost control and the delivery of high quality products to minimise the impact of this competition.

Legislative risks

The company is required to comply with all relevant legislation, but in particular covering activities such as standards of health and safety of employees and employment legislation.

Registered No. SC081670

Strategic report (continued)

Financial risk management

The company's financial risk management policies are determined by the company's ultimate parent undertaking and controlling party Clarke Power Services Inc. The company's principal financial instruments comprise cash, short term deposits and/or borrowings, the main purpose of which is to provide finance for its normal trading operations. The company has various other financial instruments such as trade debtors and creditors that arise directly from its trading operations.

The main risks arising from the company's financial instruments are liquidity and foreign currency risks. The company has clear policies for managing each of these risks.

On behalf of the Board

John S. Blackwood

J Blackwood
Director
26 July 2017

Registered No. SC081670

Directors' Report

The directors present their report for the year ended 31 December 2016.

Directors

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

D Petrie
J Blackwood

Results and dividends

The profit for the year, after taxation, amounted to £1,744,084 (2015 – profit of £1,813,444). An ordinary dividend of £nil was paid in the year (2015 - £nil). Preference dividends of £7,066 (2015 – £7,328) were paid during the year.

Future developments

The biggest threat we face in 2017 will be the increasing cost of our product lines with the inability to increase pricing in a very competitive and complicated market place, this will I am sure, reduce our margins. However, in saying that, our aim is to continue to increase our turnover and continue to grow in new and existing markets.

The Board of Directors in USA were satisfied with our performance in 2016 and we are aiming to do the same in 2017.

Going concern

The company's business activities, a review of the business, together with the factors likely to affect its future developments, its financial position, financial risk management objectives and details of its financial instruments are described in the Strategic Report on page 2.

After making suitable enquiries, the Directors have a reasonable expectation that the company has adequate resources to meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Qualifying third party indemnity provisions for directors

The ultimate parent undertaking of the company maintains liability and indemnity insurance for its directors and officers and for those of its subsidiaries. The provision has been in place throughout the year.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Ernst & Young LLP will therefore continue in office.

On behalf of the Board

John J. Blackwood

J Blackwood
Director

26 July 2017

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 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 including Financial Reporting Standard 102 'the financial reporting standard applicable to the UK and Republic of Ireland'). 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 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.

Independent auditors' report

to the members of Clarke UK Limited

We have audited the financial statements of Clarke UK Limited for the year ended 31 December 2016 which comprise the Income statement, the Statement of other comprehensive income, the Statement of changes in equity, the Statement of financial position, the Statement of cash flows and the related notes 1 to 21. 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 FRS102 '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 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 4, 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 Report and Financial Statements 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 the 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 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102 'The Financial reporting Standard applicable in the UK and Republic of Ireland'; 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, based on the work undertaken in the course of the audit:

- 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.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Independent auditors' report

to the members of Clarke UK Limited

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.

Ernst & Young LLP

Nicola McIntyre (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

28 July 2017

Income statement

for the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover	2	29,439,797	23,693,309
Cost of sales		(22,060,521)	(17,053,134)
Gross profit		7,379,276	6,640,175
Administration expenses		(5,188,558)	(4,352,761)
Operating profit	3	2,190,718	2,287,414
Net interest payable and similar charges	6	(2,752)	(4,257)
Profit on ordinary activities before taxation		2,187,966	2,283,157
Tax	7	(443,882)	(469,713)
Profit for the financial year		1,744,084	1,813,444

All amounts relate to continuing activities.

Statement of other comprehensive income

for the year ended 31 December 2016

There is no other comprehensive income other than the profit attributable to the shareholders of the company of £1,744,084 in the year ended 31 December 2016 (2015 – profit of £1,813,444).

Statement of changes in equity

for the year ended 31 December 2016

	Share capital	*Shares premium account*	*Capital redemption reserve*	*Profit and loss account*	*Total share-holders' funds*
	£	*£*	*£*	*£*	*£*
At 1 January 2015	6,431	153,889	100,000	3,544,939	3,805,259
Profit for the year	–	–	–	1,813,444	1,813,444
At 1 January 2016	6,431	153,889	100,000	5,358,383	5,618,703
Profit for the year	–	–	–	1,744,084	1,744,084
At 31 December 2016	6,431	153,889	100,000	7,102,467	7,362,787

Statement of financial position

at 31 December 2016

	Notes	*2016* £	*2015* £
Fixed assets			
Tangible assets	8	336,613	282,963
Investments	9	2	2
		336,615	282,965
Current assets			
Stocks	10	5,234,837	4,915,150
Debtors	11	7,628,535	4,427,739
Cash at bank and in hand		1,707,100	929,540
		14,570,472	10,272,429
Creditors: amounts falling due within one year	12	(7,428,014)	(4,808,752)
Net current assets		7,142,458	5,463,677
Total assets less current liabilities		7,479,073	5,746,642
Creditors: amounts falling due after more than one year			
Preference shares	13	(104,680)	(104,680)
Provisions for liabilities	7(c)	(11,606)	(23,259)
Net assets		7,362,787	5,618,703
Capital and reserves			
Called up share capital	14	6,431	6,431
Share premium account	15	153,889	153,889
Capital redemption reserve	15	100,000	100,000
Profit and loss account		7,102,467	5,358,383
Shareholders' funds		7,362,787	5,618,703

The financial statements were approved by the Board of Directors on 26 July 2017 and were signed on its behalf by:

John G. Blackwood

J Blackwood
Director

Statement of cash flows

for the year ended 31 December 2016

	Notes	2016 £	2015 £
Net cash inflow/(outflow) from operating activities	16(a)	902,798	(40,959)
Investing activities			
Interest received		4,314	3,071
Payments to acquire tangible fixed assets		(122,486)	(242,208)
Net cash flow from investing activities		(118,172)	(239,137)
Financing activities			
Interest on preference dividends		(7,066)	(7,328)
Repayments of capital element of finance leases and hire purchase contracts		-	(6,523)
Net cash flow from financing activities		(7,066)	(13,851)
Increase/(decrease) in cash and cash equivalents	16(b)	777,560	(293,947)
Cash and equivalents at 1 January	16(b)	929,540	1,223,487
Cash and equivalents at 31 December	16(b)	1,707,100	929,540

Notes to the financial statements

at 31 December 2016

1. Accounting policies

Statement of compliance

Clarke UK Limited is a limited liability company incorporated in Scotland. The registered office is Unit 1, Grange Works, Lomond Road, Coatbridge, ML5 2NN.

The Company's financial statements have been prepared in compliance with FRS102.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company.

Going concern

The company's business activities, a review of the business and a description of the principal risks and uncertainties, together with the company's financial risk management processes and narrative regarding its exposure to key financial risks are outlined in the director's report.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Group financial statements

The company is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006, and accordingly the financial statements present information about the company as an individual undertaking and not about its group.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write-off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold improvements	–	over the lease term
Plant and equipment	–	between 12.5% and 25% per annum
Motor vehicles	–	3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value as follows:

Raw materials and goods for resale	–	purchase cost on a first-in, first-out basis
Work in progress and finished goods	–	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Research and development

Research and development expenditure is written off to the income statement as incurred.

Notes to the financial statements

at 31 December 2016

1. Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, with the exception of deferred tax assets which are recognised only to the extent that the directors consider 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the income statement.

Leasing and hire purchase commitments

Assets obtained under finance leases are capitalised in the statement of financial position and are depreciated over their estimated useful life. The interest element of the rental obligations is charged to income statement over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Notes to the financial statements

at 31 December 2016

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity of manufacture of bespoke fire protection systems, as stated in the directors' report.

An analysis of turnover by geographical market is given below:

	2016	*2015*
	£	*£*
United Kingdom	3,878,531	4,023,566
Rest of World	25,561,266	19,669,743
	29,439,797	23,693,309

3. Operating Profit

This is stated after charging/(crediting):

		2016	*2015*
		£	*£*
Auditors' remuneration –	audit services	21,050	17,511
–	non-audit services	24,155	10,135
Depreciation of fixed assets		68,836	50,127
Operating lease rentals –	plant and machinery	7,211	5,932
–	land and buildings	105,000	105,000
Rental income		(4,828)	(10,224)
Research and development expenditure		2,598	291
Net exchange loss on normal trading activities		402,230	(32,488)

4. Directors' remuneration

	2016	*2015*
	£	*£*
Remuneration in respect of qualifying services	169,317	170,144
Company contributions paid to defined contribution pension schemes	7,255	8,119
	No.	*No.*
Number of directors to which benefits are accruing to under a defined contribution pension scheme	1	1

Notes to the financial statements

at 31 December 2016

5. Staff costs

	2016	2015
	£	£
Wages and salaries	1,581,376	1,504,539
Social security costs	170,030	161,638
Other pension costs (note 17)	74,460	62,372
	1,825,866	1,728,549

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

	No.	No.
Administration	20	20
Manufacturing	43	42
	63	62

6. Net interest payable and similar charges

	2016	2015
	£	£
Bank interest received	(4,314)	(3,071)
3% preference dividend (note 13)	7,066	7,328
	2,752	4,257

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax on the profit for the year	453,885	446,338
Adjustment in respect of previous periods	1,650	-
	455,535	446,338
Deferred tax:		
Origination and reversal of timing differences (note 7(c))	(11,653)	23,375
Tax on profit on ordinary activities	443,882	469,713

Notes to the financial statements

at 31 December 2016

7 Tax (continued)

(b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2015 – 20.25%). The differences are explained below:

	2016	*2015*
	£	*£*
Profit on ordinary activities before tax	2,187,966	2,283,157
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20.25%)	437,593	462,339
Effects of:		
Expenses not deductible for tax purposes	8,352	9,817
Tax rate changes	(2,048)	(272)
Adjustments in respect of previous periods	(15)	(2,171)
Current tax for the year (note 7(a))	443,882	469,713

(c) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2016	*2015*
	£	*£*
Accelerated capital allowances	(38,394)	(36,708)
Other timing differences	26,788	13,449
(Liability)	(11,606)	(23,259)

	£
Included in provisions for liabilities: Liability at 1 January 2016	(23,259)
Income statement	9,988
Adjustment in respect of prior years	1,665
Included in provisions for liabilities: Liability at 31 December 2016	(11,606)

(d) Factors that may affect future tax charges

The standard rate of UK corporation tax reduced from 21% to 20% on 1 April 2015. The Finance Act (No.2) 2015, which was given Royal Assent on 18 November 2015, included legislation which will decrease the rate to 19% from 1 April 2017. The Finance Act 2016, which was given Royal Assent on 15 September 2016, further reduced the corporation tax rate to 17% as of 1 April 2020.

The deferred tax balances as at 31 December 2016 have been recognised at a rate of 17% as this is the rate at which deferred tax is expected to reverse.

Notes to the financial statements

at 31 December 2016

8. Tangible fixed assets

	Leasehold improvements	*Plant and equipment*	*Motor vehicles*	*Total*
	£	*£*	*£*	*£*
Cost:				
At 1 January 2016	550,266	803,376	20,547	1,374,189
Additions	59,523	62,963	-	122,486
At 31 December 2016	609,789	866,339	20,547	1,496,675
Depreciation:				
At 1 January 2016	395,554	675,140	20,532	1,091,226
Provided during the year	24,347	44,474	15	68,836
At 31 December 2016	419,901	719,614	20,547	1,160,062
Net book value:				
At 31 December 2016	189,888	146,725	-	336,613
At 1 January 2016	154,712	128,236	15	282,963

9. Investments

	Subsidiary undertakings
	£
At 1 January 2016 and at 31 December 2016	2

The company owns 100% of the ordinary share capital of Firedriver Diesel Engines Limited. Firedriver Diesel Engines Limited is a dormant company registered in Scotland.

10. Stocks

	2016	*2015*
	£	*£*
Raw materials and consumables	4,657,606	4,368,309
Work in progress	259,256	309,677
Finished goods	317,975	237,164
	5,234,837	4,915,150

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stocks recognised as an expense in the year were £22,060,521 (2015 - £17,053,134).

Notes to the financial statements

at 31 December 2016

11. Debtors

	2016	2015
	£	£
Trade debtors	6,638,896	4,109,268
Amounts owed by parent undertaking	395,302	-
Prepayments and other debtors	594,337	318,471
	7,628,535	4,427,739

12. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	3,733,591	1,921,214
Amounts owed to parent undertaking	1,791,240	1,967,648
Corporation tax	327,152	82,773
Other taxes and social security costs	73,960	68,903
Other creditors	79,741	79,910
Accruals and deferred income	1,422,330	688,304
	7,428,014	4,808,752

13. Preference shares

		2016		2015
Allotted, called up and fully paid	*No.*	£	*No.*	£
Non-equity share capital:				
Preference shares of £0.10 each	1,046,799	104,680	1,046,799	104,680

The preference shares, which were issued at par, carry a final dividend of 3% above base rate per annum, payable half yearly in arrears on 30 June and 31 December. The dividend rights are cumulative.

The preference shares carry no votes at general meetings unless the dividend thereon is three months or more in arrears, in which event each holder will be entitled to ten votes per 10p share on a poll.

On a winding up of the company, the preference shareholders have a right to receive, in preference to any payments to the ordinary shareholders, 10p per share plus any arrears, deficiency or accruals of fixed dividend. The preference dividend of £7,066 was paid in the year (2015 – £7,328).

14. Issued share capital

		2016		2015
Allotted, called up and fully paid	*No.*	£	*No.*	£
Ordinary shares of £0.10 each	64,313	6,431	64,313	6,431

Notes to the financial statements

at 31 December 2016

15. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Capital redemption reserve

This reserve relates to the nominal value of shares repurchased by the company.

16. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2016	*2015*
	£	*£*
Operating profit	2,190,718	2,287,414
Depreciation	68,836	50,127
Loss on sale of fixed assets	-	6,522
Increase in debtors	(3,200,796)	(206,334)
Increase in stocks	(319,687)	(1,507,133)
Increase in creditors	2,374,883	(41,576)
Taxation		
Corporation tax paid	(211,156)	(629,979)
Net cash inflow/(outflow) from operating activities	902,798	(40,959)

(b) Cash and cash equivalents

	At 1 January 2016	*Cash flow*	*At 31 December 2016*
	£	*£*	*£*
Cash at bank and in hand	929,540	777,560	1,707,100
Cash and cash equivalents	929,540	777,560	1,707,100

17. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pensions cost charge (note 5) represents contributions payable by the company to the fund and amounted to £74,460 (2015 – £62,372). The unpaid contributions outstanding at the year-end were £12,560 (2015 – £13,304).

Notes to the financial statements

at 31 December 2016

18. Other financial commitments

At 31 December 2016 the company had commitments under non-cancellable operating leases as set out below:

		2016		2015
	Land and buildings	*Other*	*Land and buildings*	*Other*
	£	*£*	*£*	*£*
Within one year	105,000	2,968	105,000	1,738
In two to five years	420,000	7,987	420,000	5,215
Over five years	245,000	-	350,000	-
	770,000	10,955	875,000	6,953

19. Financial instruments

	2016	2015
	£	*£*
Financial assets that are equity instruments measured at cost less impairment	2	2
Financial assets that are debt instruments measured at cost		
Other debtors	7,628,535	4,427,739
Financial liabilities measured at amortised cost		
Liability component of preference shares	104,680	104,680
Trade creditors	3,752,342	1,921,214

20. Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with other related parties. The transactions entered into, and trading balances outstanding at 31 December 2016, are as follows:

Related party	*Sales to related party* £	*Purchases from related party* £	*Amounts owed from related party* £	*Amounts owed to related party* £
Clarke Fire Protection Products Inc.				
Parent undertaking				
2016	1,402,505	6,627,611	395,302	1,791,240
2015	32,239	5,399,528	-	1,966,710
Clarke Power Services Inc.				
Ultimate parent undertaking				
2016	–	11,074	–	–
2015	–	11,041	–	938

Notes to the financial statements

at 31 December 2016

21. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Clarke Fire Protection Products Inc. which is in turn wholly owned by Clarke Power Services Inc, both companies being incorporated in the United States of America. In the opinion of the directors, Clarke Power Services Inc. is the company's ultimate parent undertaking and controlling party. Copies of their group financial statements, which include the company, are available from 3133 East Kemper Road, Cincinnati, Ohio, 45241 USA.