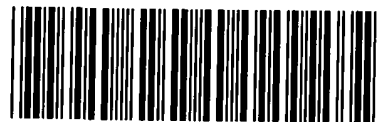


REGISTERED NUMBER: 03240950 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
ALPHA GROUP LIMITED**

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for the year ended 31 December 2016

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ALGHA GROUP LIMITED

COMPANY INFORMATION
for the year ended 31 December 2016

DIRECTORS:

R B C Totterman
C D Kay

SECRETARY:

J Bloom

REGISTERED OFFICE:

c/o Thorne Lancaster Parker
4th Floor, Venture House
27/29 Glasshouse Street
London
W1B 5DF

REGISTERED NUMBER:

03240950 (England and Wales)

AUDITORS:

RSM UK Audit LLP
Chartered Accountants &
Statutory Auditors
Hartwell House, 55-61 Victoria Street
Bristol
BS1 6AD

REPORT OF THE DIRECTORS
for the year ended 31 December 2016

The directors present their report with the financial statements of the Company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of spectacle frame manufacturers.

REVIEW OF BUSINESS

The results for the year and the financial position of the Company are as shown in the annexed financial statements.

The company has increased activity and improved profitability during the year through enhanced products which has reduced the loss incurred by reference to recent years. This improvement has continued into 2017 and the directors expect a profit for the current year continuing into the future.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

R B C Totterman

C D Kay

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in 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 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

RSM UK Audit LLP have indicated their willingness to be re-appointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General meeting.

REPORT OF THE DIRECTORS
for the year ended 31 December 2016

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



C D Kay - Director

2017

28 September 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALPHA GROUP LIMITED

Opinion on financial statements

We have audited the financial statements on pages 6 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Basis for qualified opinion

Due to insufficient audit evidence being available to us, we were unable to confirm the quantity and valuation of the company's stocks at 31 December 2014. Since opening stocks affect the determination of the results of operations, we were unable to determine whether adjustments to the results of operations and opening retained earnings might be necessary for the year ended 31 December 2015. Our audit opinion on the financial statements for the period ended 31 December 2015 was modified accordingly. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Qualified opinion

In our opinion, except for the possible effects on the corresponding figures of the matter described in the Basis for Qualified Opinion paragraph, 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 loss 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.

Emphasis of matter - going concern

In forming our opinion on the financial statements, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the ability of the company to continue as a going concern. The company is reporting a net loss of £97,848 for the year ended 31 December 2016 and, at that date, it had net liabilities of £950,264. A letter of support has been obtained from Inspecs Limited a fellow group undertaking, however this is not legally binding. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern

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 <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the 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 parent company 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALPHA GROUP LIMITED

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

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.

RSK UK Audit LLP

THOMAS MORGAN (Senior Statutory Auditor)
For and on behalf of RSK UK Audit LLP, Statutory Auditor
Chartered Accountants
55-61 Victoria Street
Bristol
BS1 6AD

29 SEPTEMBER 2017

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2016

	Notes	2016 £	2015 £
TURNOVER	3	625,805	460,078
Cost of sales		<u>380,516</u>	<u>412,577</u>
GROSS PROFIT		245,289	47,501
Administrative expenses		<u>381,387</u>	<u>331,793</u>
		(136,098)	(284,292)
Other operating income	4	<u>38,250</u>	<u>1,288</u>
OPERATING LOSS and LOSS BEFORE TAXATION	7	(97,848)	(283,004)
Tax on loss	8	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(97,848)	(283,004)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(97,848)</u>	<u>(283,004)</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 December 2016

		2016		2015	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		97,009		99,988
Investments	11		<u>2</u>		<u>2</u>
			97,011		99,990
CURRENT ASSETS					
Inventories	12	106,342		90,569	
Debtors	13	203,274		72,775	
Cash at bank and in hand		<u>14,950</u>		<u>9,868</u>	
		324,566		173,212	
CREDITORS					
Amounts falling due within one year	14	<u>1,371,841</u>		<u>1,125,618</u>	
NET CURRENT LIABILITIES			<u>(1,047,275)</u>		<u>(952,406)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(950,264)</u>		<u>(852,416)</u>
CAPITAL AND RESERVES					
Called up share capital	18		900		900
Share premium	19		274,150		274,150
Retained earnings	19		<u>(1,225,314)</u>		<u>(1,127,466)</u>
SHAREHOLDERS' FUNDS			<u>(950,264)</u>		<u>(852,416)</u>

The financial statements were approved by the Board of Directors on 28 September 2017 and were signed on its behalf by:


C D Kay - Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2016

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2015	900	(844,462)	274,150	(569,412)
Changes in equity				
Total comprehensive loss	-	(283,004)	-	(283,004)
Balance at 31 December 2015	900	(1,127,466)	274,150	(852,416)
Changes in equity				
Total comprehensive loss	-	(97,848)	-	(97,848)
Balance at 31 December 2016	900	(1,225,314)	274,150	(950,264)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

1. GENERAL INFORMATION

Alpha Group Limited is a private company limited by shares and is incorporated in England and Wales. The address of the company's principal place of business is Alpha Works, Smeed Road, Bow, London, E3 2NR. The company's principal activity is as disclosed in the Report of the Directors.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements are the first financial statements of Alpha Group Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Alpha Group Limited for the year ended 31 December 2015 were prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in equity within the cumulative profit and loss account at the transition date.

The directors have not identified any material adjustments to the comparative profit and loss or net assets as a result of the transition to FRS 102.

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 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Alpha Group 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, Inspeks Holdings Limited, c/o Thorne Lancaster Parker, 4th Floor, Venture House, 27-29 Glasshouse Street, London W1B 5DF.

Related party exemption

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 with wholly owned subsidiaries within the group.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

2. ACCOUNTING POLICIES - continued

Going concern

As detailed in the Statement of Comprehensive Income and the Statement of Financial Position, the company made a loss of £97,848 and has total net liabilities of £950,264. These net liabilities include amounts of £1,296,864 due to group undertakings.

Accordingly, the company is dependent upon the continued support of its fellow subsidiary, Inspec Limited, in order to meet its day to day working capital requirements. Inspec Limited has indicated in writing that it will continue its support for a period of at least one year from the approval of these financial statements. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

If the company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, and to provide for further liabilities that might arise, and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Turnover and revenue recognition

Revenue from sales of goods is recognised when the goods are dispatched to the customer as it is at that stage that the title of the goods passes to the customer.

Revenue is recognised at the fair value of the consideration received or receivable for sale of goods to external customers in the ordinary nature of the business. The fair value of the consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue is shown net of value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1997, is being amortised evenly over its estimated useful life of thirteen years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

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

Improvements to property	- Over the term of the lease
Plant and machinery	- 25% on cost and Straight line over 7 years
Computer equipment	- 25% on cost

Property, plant and equipment are initially measured at cost (or deemed cost) and are subsequently measured at cost or valuation, net of depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration initially recorded at cost.

Investments in subsidiaries

Investments in subsidiary undertakings are initially recorded at cost and subsequently measured at cost less any accumulated impairment loss.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

2. ACCOUNTING POLICIES - continued

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell after making due allowance for obsolete and slow moving items. Inventories are recognised as an expense in the period in which the related revenue is generated.

Cost is determined on an average cost basis. Cost includes the purchase price and other directly attributable costs to bring the inventory to its present location and condition.

At the end of each period, inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the income statement.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Foreign currencies

The financial statements are presented in sterling which is also the functional currency of the company.

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate at the date of the transaction..

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Leases

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

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt Section 11 of FRS 102 in respect of financial instruments as it has only basic financial instruments.

a) Basic financial assets

Trade and other debtors, loans to fellow group companies, other debtors and bank balances, which are due within one year are initially recognised at transaction price and subsequently carried at amortised cost being the transaction price less any amounts settled and any impairment losses.

At the end of each reporting period basic financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

b) Basic financial liabilities and equity

Financial liabilities are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into an equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade creditors, other creditors and loans from fellow group companies are initially recognised at transaction price and subsequently carried at amortised cost, being transaction price less any amounts settled.

Bank overdraft are presented within creditors: amounts falling due within one year.

Other loans are initially recognised at the transaction price, including transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Basic financial liabilities are derecognised when the contractual obligation is discharged, cancelled or expired.

c) Equity instruments

The ordinary share capital of the company is classified as equity and recorded at fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Employee costs

Employee costs are stated at the total cost incurred by the company in respect of the persons it employs under contracts of service.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

	2016	2015
	£	£
United Kingdom	179,319	139,159
North America	119,085	130,777
Europe	254,576	137,026
Asia & Middle East	58,322	49,640
Australia	10,286	3,476
Africa	2,288	-
South America	1,929	-
	<u>625,805</u>	<u>460,078</u>

4. OTHER OPERATING INCOME

	2016	2015
	£	£
Exchange gains	<u>38,250</u>	<u>1,288</u>

5. EMPLOYEES AND DIRECTORS

	2016	2015
	£	£
Wages and salaries	251,860	266,027
Social security costs	<u>20,037</u>	<u>20,428</u>
	<u>271,897</u>	<u>286,455</u>

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

	2016	2015
Administration	2	3
Production	<u>11</u>	<u>12</u>
	<u>13</u>	<u>15</u>

6. DIRECTORS' EMOLUMENTS

	2016	2015
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

7. OPERATING LOSS

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

	2016	2015
	£	£
Other operating leases	68,587	-
Depreciation - owned assets	28,852	28,925
Auditors' remuneration	5,000	3,500
Foreign exchange differences	(38,250)	(1,288)
Ex gratia payment	-	30,240
Amount of stock expensed to cost of sales	<u>68,633</u>	<u>142,641</u>

8. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 December 2016 nor for the year ended 31 December 2015.

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:

	2016	2015
	£	£
Loss before tax	<u>(97,848)</u>	<u>(283,004)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.250%)	(19,570)	(57,308)
Effects of:		
Expenses not deductible for tax purposes	11,539	16,487
Depreciation in excess of capital allowances	584	1,692
Group relief	7,447	-
Tax losses not utilised	<u>-</u>	<u>39,129</u>
Total tax charge	<u>-</u>	<u>-</u>

The company has tax losses of £869,000 available to carry forward for relief against future profits, together with accelerated capital allowances of £97,000. The net deferred tax asset relating thereto of £154,000 has not been recognised in the accounts due to the recoverability of the asset being uncertain.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

9. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2016	
and 31 December 2016	<u>5,000</u>
AMORTISATION	
At 1 January 2016	
and 31 December 2016	<u>5,000</u>
NET BOOK VALUE	
At 31 December 2016	<u>-</u>
At 31 December 2015	<u>-</u>

10. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2016	15,530	131,994	1,768	8,166	157,458
Additions	<u>-</u>	<u>-</u>	<u>25,873</u>	<u>-</u>	<u>25,873</u>
At 31 December 2016	<u>15,530</u>	<u>131,994</u>	<u>27,641</u>	<u>8,166</u>	<u>183,331</u>
DEPRECIATION					
At 1 January 2016	9,890	41,385	258	5,937	57,470
Charge for year	<u>5,640</u>	<u>19,658</u>	<u>2,059</u>	<u>1,495</u>	<u>28,852</u>
At 31 December 2016	<u>15,530</u>	<u>61,043</u>	<u>2,317</u>	<u>7,432</u>	<u>86,322</u>
NET BOOK VALUE					
At 31 December 2016	<u>-</u>	<u>70,951</u>	<u>25,324</u>	<u>734</u>	<u>97,009</u>
At 31 December 2015	<u>5,640</u>	<u>90,609</u>	<u>1,510</u>	<u>2,229</u>	<u>99,988</u>

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2016	
and 31 December 2016	<u>2</u>
NET BOOK VALUE	
At 31 December 2016	<u>2</u>
At 31 December 2015	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

11. FIXED ASSET INVESTMENTS - continued

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Maronglow Limited

Registered office: Venture House, 27-29 Glasshouse Street, London, W1B 5DF

Nature of business: Dormant company

	%
Class of shares:	holding
Ordinary "A"	100.00

12. INVENTORIES

	2016	2015
	£	£
Raw materials	<u>106,342</u>	<u>90,569</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	124,013	40,441
Amounts owed by group undertakings	29,422	22,101
Other debtors	40,849	658
Prepayments and accrued income	<u>8,990</u>	<u>9,575</u>
	<u>203,274</u>	<u>72,775</u>

Trade debtors are stated after provisions for impairment of £14,268 (2015: £1,037).

Amounts owed by group undertakings are stated after provisions for impairment of £136,202 (2015: £80,960).

Amounts owed by group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts (see note 15)	15,026	11,240
Trade creditors	27,628	27,884
Amounts owed to group undertakings	1,296,864	1,056,406
Social security and other taxes	17,668	25,281
Other creditors	-	157
Accruals and deferred income	<u>14,655</u>	<u>4,650</u>
	<u>1,371,841</u>	<u>1,125,618</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date for repayment and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

15. LOANS

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>15,026</u>	<u>11,240</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016 £	2015 £
Within one year	<u>137,000</u>	<u>-</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2016 £	2015 £
Bank overdrafts	<u>15,026</u>	<u>11,240</u>

The bank overdraft is secured by way of a fixed and floating charge over the company's assets.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
900	Ordinary "A"	£1	<u>900</u>	<u>900</u>

19. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2016	(1,127,466)	274,150	(853,316)
Deficit for the year	<u>(97,848)</u>	<u>-</u>	<u>(97,848)</u>
At 31 December 2016	<u>(1,225,314)</u>	<u>274,150</u>	<u>(951,164)</u>

20. ULTIMATE PARENT COMPANY

Inspecs Holdings Limited is regarded by the directors as being the Company's ultimate parent company.

The consolidated accounts of Inspecs Holdings Limited are available from the Registrar of Companies.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

21. RELATED PARTY DISCLOSURES

a) Thorne Lancaster Parker

Mr C D Kay, a director of the company is also a partner in Thorne Lancaster Parker. During the year the partnership invoiced Alpha Group Limited £1,613 (2015: £1,401) in respect of professional services provided. On 31 December 2016, the company owed Thorne Lancaster Parker £3,637 (2015: 1,519) in respect of the above.

22. POST BALANCE SHEET EVENTS

In February 2017, a fellow group undertaking acquired the entire issued share capital of Twenty 20 Limited for a total consideration of US\$48,000,000. Twenty 20 Limited is the holding company of the Killine Group, an optical manufacturer with plants in China and Vietnam.

The acquisition was financed by a refinancing structure including a bank loan of US\$30,000,000 and a new share issue by the parent company. The new bank loan is secured by way of a group all asset debenture including the company.

As part of the group's refinancing the company's overdraft facility was cancelled and the bank's security was satisfied.

23. ULTIMATE CONTROLLING PARTY

The directors regard Inspects Holdings Limited as the company's ultimate parent undertaking of which R Totterman is the controlling shareholder.

Inspects Holdings Limited is incorporated in the United Kingdom and prepares consolidated accounts for the group.

24. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including explanations of future events that are believe to be reasonable under the circumstances.

a) Key accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below;

(i) Impairment provision on inventories

At the end of each period, inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the income statement.

The impairment assessment requires management's judgement on the items of inventory, taking into consideration the selling pattern and trends of the items concerned.

NOTES TO THE FINANCIAL STATEMENTS - continued
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25. FIRST YEAR ADOPTION

This is the first year that the company has presented its results under FRS 102. The last financial statements prepared under the Financial Reporting Standard for Smaller Entities (effective January 2015) were for the year ended 31 December 2015. The date of transition to FRS 102 was 1 January 2015.

The directors have not identified any material adjustments to the comparative profit and loss or net assets as a result of the transition to FRS 102.