

**REGISTRAR'S COPY**

**FAIREY INDUSTRIAL CERAMICS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 DECEMBER 2014**

WEDNESDAY



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**FAIREY INDUSTRIAL CERAMICS LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

T. P. Kelly  
C. Lowndes  
S. J. Oakes  
N. P. Hipkiss  
S. P. Shea

**COMPANY SECRETARY**

C. Lowndes

**REGISTERED NUMBER**

01232580

**REGISTERED OFFICE**

Albion Works  
Uttoxeter Road  
Longton  
Stoke-on-Trent  
ST3 1PH

**INDEPENDENT AUDITORS**

Simmons Gainsford LLP  
Chartered Accountants & Statutory Auditors  
7-10 Chandos Street  
London  
W1G 9DQ

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**FAIREY INDUSTRIAL CERAMICS LIMITED**

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**CONTENTS**

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	Page
<b>Strategic report</b>	1 - 2
<b>Directors' report</b>	3 - 4
<b>Independent auditors' report</b>	5 - 6
<b>Profit and loss account</b>	7
<b>Balance sheet</b>	8
<b>Notes to the financial statements</b>	9 - 18

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## **FAIREY INDUSTRIAL CERAMICS LIMITED**

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### **STRATEGIC REPORT FOR THE PERIOD ENDED 30 DECEMBER 2014**

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The directors present their report and financial statements for the year ended 31 December 2014.

#### **BUSINESS REVIEW**

The principle activity of the company continued to be that of the manufacture and distribution of ceramic point of use drinking water filters and associated equipment.

The directors are pleased to report continued growth in turnover and profitability during 2014.

During the year the Company has invested significantly in new plant and equipment to improve quality and capacity, whilst committing to additional marketing resources to support its brand and retail strategy.

#### **POST BALANCE SHEET EVENTS**

In June 2015 Fairey Industrial Ceramics Ltd acquired the shareholding of Lifesaver Holdings Ltd a manufacturer of portable water filters which remove impurities, bacteria and virus to provide sterile safe drinking water.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company's principal risks stem from upwards pressure on raw materials and energy prices in addition to the activities of competitors from lower cost economies who continue to strive for market share. Strategies are continually reviewed to minimize the impact of price increases, maximise efficiencies, and enhance the company's enviable reputation for quality and performance through innovation.

#### **FINANCIAL INSTRUMENTS**

The company's financial instruments principally comprise cash at bank and a hire purchase finance facility. In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the company's financial statements are interest, liquidity, currency and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged throughout the period.

##### **Liquidity Risk**

The company manages its borrowing requirements to ensure the company has sufficient liquid resources to meet the operating needs of the business.

##### **Interest Rate Risk**

The company is exposed to cash flow interest rate risk on its floating rate borrowings. All borrowings are in Sterling.

##### **Foreign Currency Risk**

The company is exposed to exchange rate fluctuations particularly where goods are invoiced in US Dollars. This is largely managed through a natural hedge generated from imports of raw materials denominated in US Dollars.

##### **Credit Risk**

The recipients of all loans are subject to credit verification procedures by the Board. Debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

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**FAIREY INDUSTRIAL CERAMICS LIMITED**

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**STRATEGIC REPORT (continued)  
FOR THE PERIOD ENDED 30 DECEMBER 2014**

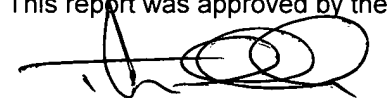
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**FINANCIAL ANALYSIS AND KEY PERFORMANCE INDICATORS**

The key performance indicators of the company are turnover, gross profit, profit before tax and net assets. A brief analysis of these is shown below:

	<b>2014</b>	<b>2013</b>
	<b>£000's</b>	<b>£000's</b>
Turnover	8,887	7,964
Gross profit	3,196	2,866
Profit before tax	732	598
Net assets	2,893	2,343

This report was approved by the board on **6 August 2015** and signed on its behalf.



.....  
**T.P. Kelly**  
**Director**

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## **FAIREY INDUSTRIAL CERAMICS LIMITED**

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### **DIRECTORS' REPORT FOR THE PERIOD ENDED 30 DECEMBER 2014**

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The directors present their report and the financial statements for the period ended 30 December 2014.

#### **PRINCIPAL ACTIVITIES**

The principal activities of the company continued to be that of the manufacture and distribution of ceramic point of use drinking water filters and associated equipment.

The review of business and assessment of risks are included in the Strategic Report on pages 1-2.

#### **RESULTS**

The profit for the period, after taxation, amounted to £550,477 (2013 - £477,636).

#### **DIRECTORS**

The directors who served during the period were:

T. P. Kelly  
C. Lowndes  
S. J. Oakes  
N. P. Hipkiss  
S. P. Shea (appointed 4 August 2014)

#### **RESEARCH AND DEVELOPMENT ACTIVITIES**

The company carries out research and development in all the main areas of its product range.

#### **AUDITORS**

Simmons Gainsford LLP are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

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## FAIREY INDUSTRIAL CERAMICS LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 30 DECEMBER 2014

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#### DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board on 16 August 2015 and signed on its behalf.



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**T. P. Kelly**  
Director

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## **FAIREY INDUSTRIAL CERAMICS LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FAIREY INDUSTRIAL CERAMICS LIMITED**

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We have audited the financial statements of Fairey Industrial Ceramics Limited for the period ended 30 December 2014, set out on pages 7 to 18. 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).

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's 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 Directors' responsibilities statement, 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 Directors' report 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 30 December 2014 and of its profit for the period 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.



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**FAIREY INDUSTRIAL CERAMICS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FAIREY INDUSTRIAL CERAMICS LIMITED**

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**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.



Daryush Farshchi-Heidari (ACA) (Senior statutory auditor)  
for and on behalf of

**Simmons Gainsford LLP**

Chartered Accountants

Statutory Auditors

7-10 Chandos Street

London

W1G 9DQ

Date: 6 AUGUST 2015.

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**FAIREY INDUSTRIAL CERAMICS LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 30 DECEMBER 2014**

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	<b>Note</b>	<b>2014 £</b>	<b>As restated 2013 £</b>
<b>TURNOVER</b>	1,2	8,886,653	7,963,569
Cost of sales		(5,690,307)	(5,097,885)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		3,196,346	2,865,684
Distribution costs		(326,699)	(388,881)
Administrative expenses		(2,137,330)	(1,878,648)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		732,317	598,155
Tax on profit on ordinary activities	6	(181,840)	(120,519)
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	15	<u>550,477</u>	<u>477,636</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.


The notes on pages 9 to 18 form part of these financial statements.

**FAIREY INDUSTRIAL CERAMICS LIMITED**  
**REGISTERED NUMBER: 01232580**

**BALANCE SHEET**  
**AS AT 30 DECEMBER 2014**

	Note	30 December 2014 £	31 December 2013 £
<b>FIXED ASSETS</b>			
Intangible assets	7	414,593	368,262
Tangible assets	8	1,047,047	348,639
		<u>1,461,640</u>	<u>716,901</u>
<b>CURRENT ASSETS</b>			
Stocks	9	975,521	1,224,571
Debtors	10	1,979,010	1,427,858
Cash at bank and in hand		254,203	324,803
		<u>3,208,734</u>	<u>2,977,232</u>
<b>CREDITORS:</b> amounts falling due within one year	11	<u>(1,172,045)</u>	<u>(1,270,972)</u>
<b>NET CURRENT ASSETS</b>		<u>2,036,689</u>	<u>1,706,260</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,498,329</u>	<u>2,423,161</u>
<b>CREDITORS:</b> amounts falling due after more than one year	12	(481,367)	(44,037)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	13	<u>(123,352)</u>	<u>(35,991)</u>
<b>NET ASSETS</b>		<u><u>2,893,610</u></u>	<u><u>2,343,133</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	45,000	45,000
Share premium account	15	634,000	634,000
Capital redemption reserve	15	55,000	55,000
Profit and loss account	15	<u>2,159,610</u>	<u>1,609,133</u>
<b>SHAREHOLDERS' FUNDS</b>	16	<u><u>2,893,610</u></u>	<u><u>2,343,133</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
**6 August 2015.**

  
**C. Lowndes**  
 Director

The notes on pages 9 to 18 form part of these financial statements.

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## FAIREY INDUSTRIAL CERAMICS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2014

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### 1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.3 Turnover

Turnover comprises sales invoiced where goods have been delivered and accepted under contract (excluding value added tax) and the estimated sales value of goods delivered and accepted under contract which have not been invoiced.

##### 1.4 Intangible fixed assets and amortisation

Trademarks are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	5-50% straight line
Fixtures, fittings & equipment	-	10-33.33% straight line

##### 1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

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## **FAIREY INDUSTRIAL CERAMICS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2014**

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.8 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### **1.9 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

##### **1.10 Foreign currencies**

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

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

##### **1.11 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.

##### **1.12 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

The company contributes to personal pension schemes based on contractual terms. Pension costs charged in the financial statements represent the contributions payable by the company during the year.

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**FAIREY INDUSTRIAL CERAMICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 DECEMBER 2014**

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**2. TURNOVER**

The whole of the turnover is attributable to the principal activity of the company.

A geographical analysis of turnover is as follows:

	<b>2014</b>	<b>As restated</b>
	<b>£</b>	<b>2013</b>
		<b>£</b>
United Kingdom	579,811	736,557
Rest of European Union	1,031,877	685,996
Rest of world	7,274,965	6,541,016
	<hr/>	<hr/>
	8,886,653	7,963,569
	<hr/>	<hr/>

**3. PROFIT**

The profit is stated after charging/(crediting):

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Amortisation - intangible fixed assets	14,746	16,083
Depreciation of tangible fixed assets:		
- owned by the company	93,412	84,726
Auditors' remuneration	18,000	12,070
Operating lease rentals:		
- plant and machinery	13,186	14,257
- other operating leases	204,911	233,057
Difference on foreign exchange	35,579	(13,438)
	<hr/>	<hr/>

**4. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,926,062	1,681,287
Social security costs	115,748	103,508
Other pension costs	53,940	47,299
	<hr/>	<hr/>
	2,095,750	1,832,094
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**FAIREY INDUSTRIAL CERAMICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 DECEMBER 2014**

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**4. STAFF COSTS (continued)**

The average monthly number of employees, including the directors, during the period was as follows:

	<b>2014 No.</b>	<b>2013 No.</b>
Production & distribution	53	55
Administration	12	13
	<u>65</u>	<u>68</u>

**5. DIRECTORS' REMUNERATION**

	<b>2014 £</b>	<b>2013 £</b>
Remuneration	<u>292,600</u>	<u>218,926</u>
Company pension contributions to defined contribution pension schemes	<u>27,917</u>	<u>23,781</u>

During the period retirement benefits were accruing to 3 directors (2013 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £130,707 (2013 - £124,638).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,684 (2013 - £13,137).

**6. TAXATION**

	<b>2014 £</b>	<b>2013 £</b>
<b>Analysis of tax charge in the period/year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the period/year	-	19,966
	<u>-</u>	<u>19,966</u>
Group taxation relief	94,479	64,562
<b>Total current tax</b>	<u>94,479</u>	<u>84,528</u>
<b>Deferred tax</b> (see note 13)		
Origination and reversal of timing differences	87,361	35,991
<b>Tax on profit on ordinary activities</b>	<u>181,840</u>	<u>120,519</u>

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**FAIREY INDUSTRIAL CERAMICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 DECEMBER 2014**

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**6. TAXATION (continued)**

**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21% (2013 - 23%). The differences are explained below:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	732,317	598,155
	<u>732,317</u>	<u>598,155</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2013 - 23%)	153,787	137,576
<b>Effects of:</b>		
Expenses not deductible for tax purposes	439	351
Capital allowances for period/year in excess of depreciation	(91,920)	(18,941)
Other differences leading to an increase (decrease) in the tax charge	-	(25)
Group relief payment	94,479	64,562
Taxable value of group relief received	(62,306)	(98,995)
	<u>94,479</u>	<u>84,528</u>
<b>Current tax charge for the period/year (see note above)</b>	<u>94,479</u>	<u>84,528</u>

**7. INTANGIBLE FIXED ASSETS**

	<b>Trademarks</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2014	384,345
Additions	61,077
	<u>445,422</u>
At 30 December 2014	445,422
<b>Amortisation</b>	
At 1 January 2014	16,083
Charge for the period	14,746
	<u>30,829</u>
At 30 December 2014	30,829
<b>Net book value</b>	
At 30 December 2014	414,593
	<u>414,593</u>
At 31 December 2013	368,262
	<u>368,262</u>



**FAIREY INDUSTRIAL CERAMICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 DECEMBER 2014**

**8. TANGIBLE FIXED ASSETS**

	Plant & machinery £	Fixtures & fittings £	Total £
<b>Cost</b>			
At 1 January 2014	1,969,385	176,325	2,145,710
Additions	780,968	11,761	792,729
Disposals	(29,650)	-	(29,650)
At 30 December 2014	<u>2,720,703</u>	<u>188,086</u>	<u>2,908,789</u>
<b>Depreciation</b>			
At 1 January 2014	1,630,196	166,875	1,797,071
Charge for the period	86,448	6,964	93,412
On disposals	(28,741)	-	(28,741)
At 30 December 2014	<u>1,687,903</u>	<u>173,839</u>	<u>1,861,742</u>
<b>Net book value</b>			
At 30 December 2014	<u>1,032,800</u>	<u>14,247</u>	<u>1,047,047</u>
At 31 December 2013	<u>339,189</u>	<u>9,450</u>	<u>348,639</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	30 December 2014 £	31 December 2013 £
Plant and machinery	<u>679,165</u>	<u>-</u>

**9. STOCKS**

	30 December 2014 £	31 December 2013 £
Raw materials	585,750	884,394
Work in progress	116,783	83,793
Finished goods and goods for resale	272,988	256,384
	<u>975,521</u>	<u>1,224,571</u>

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

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**FAIREY INDUSTRIAL CERAMICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 DECEMBER 2014**

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**10. DEBTORS**

	<b>30 December 2014 £</b>	<b>31 December 2013 £</b>
Trade debtors	1,237,274	1,046,037
Other debtors	583,100	249,771
Prepayments and accrued income	158,636	132,050
	<u>1,979,010</u>	<u>1,427,858</u>

**11. CREDITORS:  
Amounts falling due within one year**

	<b>30 December 2014 £</b>	<b>31 December 2013 £</b>
Net obligations under finance leases and hire purchase contracts	89,540	-
Trade creditors	542,304	497,277
Amounts owed to group undertakings	103,867	399,012
Corporation tax	-	19,966
Other taxation and social security	45,664	33,699
Other creditors	204,674	179,034
Accruals and deferred income	185,996	141,984
	<u>1,172,045</u>	<u>1,270,972</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets they relate to.

**12. CREDITORS:  
Amounts falling due after more than one year**

	<b>30 December 2014 £</b>	<b>31 December 2013 £</b>
Net obligations under finance leases and hire purchase contracts	385,876	-
Other creditors	36,267	44,037
Accruals and deferred income	59,224	-
	<u>481,367</u>	<u>44,037</u>

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**FAIREY INDUSTRIAL CERAMICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 DECEMBER 2014**

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**12. CREDITORS:**  
**Amounts falling due after more than one year (continued)**

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>30 December 2014 £</b>	<b>31 December 2013 £</b>
Repayable by instalments	64,405	12,952

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<b>30 December 2014 £</b>	<b>31 December 2013 £</b>
Between one and five years	385,876	-

Net obligations under finance leases and hire purchase contracts are secured on the assets they relate to.

**13. DEFERRED TAXATION**

	<b>30 December 2014 £</b>	<b>31 December 2013 £</b>
At beginning of period/year	35,991	-
Charge for period/year (P&L)	87,361	35,991
At end of period/year	123,352	35,991

The provision for deferred taxation is made up as follows:

	<b>30 December 2014 £</b>	<b>31 December 2013 £</b>
Accelerated capital allowances	123,352	35,991

**14. SHARE CAPITAL**

	<b>30 December 2014 £</b>	<b>31 December 2013 £</b>
<b>Allotted, called up and fully paid</b>		
45,000 Ordinary shares of £1 each	45,000	45,000

**FAIREY INDUSTRIAL CERAMICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 DECEMBER 2014**

**15. RESERVES**

	Share premium account £	Capital redempt'n reserve £	Profit and loss account £
At 1 January 2014	634,000	55,000	1,609,133
Profit for the financial period	-	-	550,477
At 30 December 2014	<u>634,000</u>	<u>55,000</u>	<u>2,159,610</u>

**16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	30 December 2014 £	31 December 2013 £
Opening shareholders' funds	2,343,133	1,865,497
Profit for the financial period/year	<u>550,477</u>	<u>477,636</u>
Closing shareholders' funds	<u>2,893,610</u>	<u>2,343,133</u>

**17. CONTINGENT LIABILITIES**

At the balance sheet date, the company was party to a cross guarantee for a group overdraft facility with the following companies: Mantec Group Limited, Mantec Properties Limited, Taylor Tunnicliff Limited, Duchess China Limited, Grimwades Limited, Xtract Filtration Systems Limited, and Mantec Technical Ceramics Limited. At the balance sheet date the contingent liability attributable to the company amounted to £260,896 (2013: £140,704).

During the year the company received a government grant of £59,224 (2013: £nil) in respect to the purchase of new plant and machinery. The terms of the grant include performance criteria which if not met would result in the grant needing to be repaid. The directors do not believe that these performance criteria will be breached.

**18. CAPITAL COMMITMENTS**

At 30 December 2014 the company had capital commitments as follows:

	30 December 2014 £	31 December 2013 £
Contracted for but not provided in these financial statements	<u>98,610</u>	<u>-</u>

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**FAIREY INDUSTRIAL CERAMICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 DECEMBER 2014**

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**19. OPERATING LEASE COMMITMENTS**

At 30 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>30 December</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
After more than 5 years	187,900	187,900
	<u>187,900</u>	<u>187,900</u>

**20. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transaction entered into between two of more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

At the balance sheet date the following balances were included within debtors/ (creditors):

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Mantec Technical Ceramics Limited	(44,525)	(187)
Wykes International Limited	-	(64,562)
Mantec Group Limited	(59,342)	(334,263)
	<u>-</u>	<u>-</u>

**21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company regards Mantec Group Limited as its immediate and ultimate parent undertaking in both this and the previous year.

Mrs V Davis is regarded as the company's ultimate controlling party by virtue of her shareholding in the ultimate parent undertaking in both this and the previous year.

**22. COMPARATIVE RESTATEMENT**

The comparative information has been restated to include carriage costs gross of income received. This has resulted in an increase in turnover and a corresponding increase in distribution costs of £257,211. It has not affected the overall results of the company.