IG Elements Ltd

Financial statements for the year ended 31 December 2016

Registration No: NI 607452 (Northern Ireland)

COMPANIES HOUSE
29 SEP 2017
BELFAST

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Directors and advisors

Directors

Sean Coyle
John Duffin
Eithne Kelly
Liam Kelly
Derrick McFarland

Company Secretary

Sean Coyle

Registered Office

Ballreagh Industrial Estate
Sandholes Road
Cookstown

Registered auditors

ASM (M) Ltd
Chartered Accountants
The Diamond Centre
Market Street
Magherafelt

Solicitors

Millar McCall Wylie
4 – 10 Donegall Square East
Belfast

Bankers

First Trust Bank Limited
92 Ann Street
Belfast

Independent auditors' report to the members of IG Elements Ltd

We have audited the financial statements of IG Elements Ltd for the year ended 31 December 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. 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".

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 opinion we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' Report, 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.

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 annual 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.

Independent auditors' report to the members of IG Elements Ltd (continued)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 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.

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 year for which the financial statements are prepared is consistent with the financial statements.

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 of the information and explanations we require for our audit; or
- the directors' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Mark McNeill

Mark McNeill (Senior Statutory Auditor)

For and on behalf of:

ASM (M) Ltd
Chartered Accountants and Statutory Auditors
The Diamond Centre
Market Street
Magherafelt

1 September 2017

Statement of Financial Position

	Notes	2016 £	2015 £
Fixed assets			
Intangible fixed assets	2	**4,588**	5,129
Property, plant and equipment	3	**3,324,992**	1,923,652
		3,329,580	1,928,781
Current assets			
Inventories	4	**198,014**	143,381
Trade receivables	5	**712,391**	612,710
Cash at bank and in hand		**30,155**	30,378
		940,560	786,469
Creditors: amounts falling due within one year	6	**997,013**	867,772
Net current assets/(liabilities)		**(56,453)**	(81,303)
Total assets less current liabilities		**3,273,127**	1,847,478
Creditors: amounts falling due after more than one year	7	**3,334,499**	1,812,864
Deferred income	8	**3,000**	4,440
		3,337,499	1,817,304
Net assets/(liabilities)		**(64,372)**	30,174
Capital and reserves			
Called up share capital	10	**1**	1
Other reserves	11	**(64,373)**	30,173
Total equity shareholders' funds		**(64,372)**	30,174

In accordance with Section 444 of the Companies Act 2006 and the special provisions applicable to companies subject to the small companies regime, the Income Statement and Directors Report have not been delivered to the Registrar of Companies.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Approved and authorised for issue by the Board of Directors on 1 September 2017 and signed on its behalf by:

Sean Coyle
Director
Registration Number: NI 607452

Statement of Changes in Equity

	Share capital £	Revaluation reserve	Retained earnings £	Total £
Balance as at 1 January 2015	1	-	(268,680)	(268,680)
Total comprehensive income for the year	-	478,053	(179,199)	298,854
Balance as at 31 December 2015	1	478,053	(447,879)	30,174
Total comprehensive income for the year	-	-	(94,546)	(94,546)
Balance as at 31 December 2016	**1**	**478,053**	**(542,425)**	**(64,372)**

The notes on pages 6 to 14 form part of these financial statements

Notes to the financial statements

1. Principal accounting policies

IG Elements Ltd is a Company incorporated in Northern Ireland.

The Company's financial statements have been prepared in compliance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as it applies to the financial statements of the Company for the year end 31 December 2016.

Basis of accounting

The financial statements of IG Elements Ltd were approved for issue by the Board of Directors on 1 September 2017. The financial statements have been prepared 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 made a loss during the year ended 31 December 2016 and, at that date, the Company's liabilities exceeded its assets.

The ability of the Company to continue as a going concern is dependent upon the continued support of the directors and related party lenders.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Judgement and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made are summarised below.

Notes to the financial statements (continued)

1. Principal accounting policies (continued)

Intangible assets

Intangible assets acquired separately from the Company are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful life. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Patents	10 years

Property, plant and equipment

Property, plant and equipment are stated at purchase cost, net of depreciation and any provision for impairment.

Depreciation is calculated so as to write off the cost of property, plant and equipment, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are as follows:

	%
Buildings	2 - 10
Plant and equipment	25
Computer equipment	10 - 20
Motor vehicles	12.5
Moulds	50

The cost of freehold land is not depreciated.

The carrying value of property, plant and equipment is reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Key accounting policies

Turnover

Turnover represents amounts receivable for goods and services net of value added taxation and trade discounts.

Notes to the financial statements (continued)

1. Principal accounting policies (continued)

Hire purchase assets

Assets acquired under hire purchase contracts are capitalised based on the purchase price of the assets. Depreciation is provided on the same basis as for owned assets. The interest element of the hire purchase payment is charged to the Income Statement over the period of the contract.

The capital value of hire purchase assets are included in the Statement of Financial Position as a liability, reduced by the capital element of the hire purchase payments.

Inventories and work in progress

Inventories and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and direct costs. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion or disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Deferred taxation

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences 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.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Exemptions for qualifying entities under FRS 102

Since 100% of the Company's voting rights are controlled within the group of companies of which it is a member, the Company has taken advantage of the exemption not to disclose transactions with entities that are part of the group or investees of the group qualifying as related parties.

The Company is exempt from the requirements of FRS 102 to present a Statement of Cash Flows on the grounds that it is a subsidiary undertaking where 100% of its voting rights are controlled within the group. The Company's cash flows have been included within the consolidated cash flows presented in the financial statements of that parent undertaking.

Notes to the financial statements (continued)

2. Intangible fixed assets

	Patents	Total
	£	£
Cost		
At 1 January 2016	5,400	5,400
Additions	-	-
Disposals	-	-
At 31 December 2016	**5,400**	**5,400**
Amortisation		
At 1 January 2016	271	271
Charge for the year	541	541
Disposals	-	-
At 31 December 2016	**812**	**812**
Net book value		
At 31 December 2016	**4,588**	**4,588**
At 31 December 2015	5,129	5,129

3. Property, plant and equipment

	Land	Buildings	Plant and equipment	Computer equipment	Motor vehicles	Moulds	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2016	40,000	1,593,544	105,952	72,702	7,750	352,880	2,172,828
Additions	1,383,242	-	9,179	32,763	5,000	239,224	1,669,408
Disposals	-	-	-	-	-	-	-
At 31 December 2016	**1,423,242**	**1,593,544**	**115,131**	**105,465**	**12,750**	**592,104**	**3,842,236**
Depreciation							
At 1 January 2016	-	32,786	29,498	13,982	80	172,830	249,176
Charge for the year	-	28,449	32,726	12,596	2,521	191,776	268,068
Disposals	-	-	-	-	-	-	-
At 31 December 2016	**-**	**61,235**	**62,224**	**26,578**	**2,601**	**364,606**	**517,244**
Net book value							
At 31 December 2016	**1,423,242**	**1,532,309**	**52,907**	**78,887**	**10,149**	**227,498**	**3,324,992**
At 31 December 2015	40,000	1,560,758	76,454	58,719	7,670	180,050	1,923,652

The fair value of land and buildings at 31 December 2016 is as determined by the Company directors. There has been no external valuation of the properties during the year. In assessing the fair value of the properties, the directors took into consideration local property prices, the current rental agreements in place on the properties and the rental market in the local area.

The net book value of property, plant and equipment includes an amount of **£24,091** (2015: £8,154) in respect of assets held under hire purchase contracts.

Notes to the financial statements (continued)

4. Inventories

	2016	2015
	£	£
Raw materials	**31,912**	19,893
Work in progress	**7,190**	9,150
Finished goods	**158,912**	114,338
	198,014	143,381

Inventories are stated after provision for impairment of **£Nil** (2015: £Nil).

5. Trade receivables

	2016	2015
	£	£
Amounts falling due within one year		
Trade receivables	**613,508**	509,846
Owed by group undertakings (note 23)	**88,068**	52,081
Owed by related undertakings (note 23)	**1,222**	4,713
Prepayments	**9,593**	46,069
Value added taxes receivable	**-**	-
Other debtors	**-**	1
	712,391	612,710

Trade receivables are stated after provisions for impairment **£4,150** (2015: £4,150).

6. Creditors: amounts falling due within one year

	2016	2015
	£	£
Commercial finance	**169,747**	245,979
Bank loans	**167,025**	177,304
Hire purchase creditors	**10,418**	11,440
Trade creditors	**530,460**	351,885
Owed to related undertakings (note 23)	**16,295**	1,800
Payroll taxes	**39,523**	17,419
Value added taxes	**49,542**	20,927
Accruals	**9,884**	25,562
Other creditors	**2,446**	14,413
Interest accrual	**1,673**	1,043
	997,013	867,772

Notes to the financial statements (continued)

7. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans	**455,745**	483,790
Hire purchase creditors	**2,256**	12,247
Owed to group undertakings (note 23)	**-**	1,316,827
Owed to related undertakings (note 23)	**2,876,498**	-
	3,334,499	1,812,864

Bank loans are secured by a fixed and floating charge over all company assets a present and future.

Hire purchase creditors are secured on the assets concerned.

Loan maturity analysis

Maturity of financial liabilities:

	2016	2015
	£	£
In one year or less, or on demand	**347,190**	434,723
In more than one year, but not more than two years	**177,791**	196,328
In more than two years, but not more than five years	**280,210**	299,710
	805,191	930,761

Hire purchase creditors
Hire purchase obligations are repayable as follows:

In one year or less	**10,418**	11,440
Between one and two years	**2,256**	9,992
Between two and five years	**-**	2,255
	12,674	23,687

Notes to the financial statements (continued)

8. Accruals and deferred income

	Capital grants	Total
	£	£
Costs		
At 1 January 2016	5,760	5,760
Grant received during the year	-	-
At 31 December 2016	**5,760**	**5,760**
Amortisation		
At 1 January 2016	1,320	1,320
Amortisation for the year	1,440	1,440
At 31 December 2016	**2,760**	**2,760**
Net book value		
At 31 December 2016	**3,000**	**3,000**
At 31 December 2015	4,440	4,440

9. Provisions for liabilities

Deferred taxation

Deferred taxation provided in the financial statements is analysed as follows:

	2016	2015
	£	£
Tax effect of timing differences because of:		
Accelerated capital allowances	**(50,567)**	(49,943)
Total revenue losses	**(7,067)**	(27,045)
Other timing differences	-	-
	(57,634)	(76,988)
Negative timing differences not provided	**57,634**	76,988
	-	-

Movement in provision during the year

	£
At 1 January 2016	-
Transfer from/(to) the Income Statement (note 8)	-
At 31 December 2016	-

Notes to the financial statements (continued)

10. Called up share capital

Ordinary shares of £0.01 each

	2016	2015
	£	£
Allotted, called up and fully paid		
100 Ordinary Shares of £0.01 each	1	1
	1	1

11. Reserves

	Revaluation reserve	Profit and loss reserve	Total
	£	£	£
At 1 January 2016	478,053	(447,880)	30,173
Profit/(loss) for the year	-	(94,545)	(94,545)
At 31 December 2016	**478,053**	**(542,425)**	**(64,372)**

12. Contingent liabilities

The Company had no contingent liabilities at 31 December 2016 or at 31 December 2015.

13. Capital commitments

The Company had no capital commitments at 31 December 2016 or at 31 December 2015.

14. Other financial commitments

Operating lease commitments

Annual commitments exist under non-cancellable operating leases as follows:

	2016 Land and buildings	2015 Other
	£	£
Expiring:		
Within one year	-	-
Between two and five years	-	-
More that five years	9,000	-
	9,000	-

The rentals payable in respect of leases of land and buildings are subject to rent review at three yearly intervals as specified in the lease agreement.

Notes to the financial statements (continued)

15. Related party transactions

Group undertakings

The Company has taken advantage of the exemption under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" not to disclose transactions with entities that are part of the group.

Related undertakings

The transactions during the year with related undertakings and the amounts owed by/(to) related undertakings at the start and end of the year are analysed as follows:

Category of related party	At 1 January 2016 £	Sales £	Purchases £	Other transactions £	At 31 December 2016 £
Other related undertakings	2,913	-		(2,894,484)	(2,891,571)
Total	2,913	-		(2,894,484)	(2,891,571)

16. Ultimate controlling party

The Spruce Park Company Limited, a Company established in Northern Ireland, holds 100% of the Company's equity share capital and is the ultimate parent undertaking.

The ultimate controlling parties are Sean Og Coyle and Owen Coyle who each control 50% of the equity share capital in The Spruce Park Company Limited.