



AYRSHIRE METAL PRODUCTS plc

COMPANY REGISTRATION NUMBER SC006517

Annual Report and Financial Statements
for the year ended 31 December 2016

THURSDAY



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25/05/2017

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COMPANIES HOUSE

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GROUP INFORMATION

Directors	M L Wilson P J Short M J Brown D K Pickerill F M Stafford-Charles	Chairman Managing Director
Company Secretary	D K Pickerill	
Company Registration Number	SC006517	
Registered Office	40 North Castle Street, Edinburgh, EH2 3BN	
Registered Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditor The Colmore Building 20 Colmore Circus Birmingham B4 6AT	
Sales Contacts	sales@ayrshire.co.uk www.ayrshire.co.uk	
Main Locations		
Cold Roll Forming	Ayrshire Daventry Royal Oak Way, Daventry, Northamptonshire NN11 8NR Telephone : 01327 300990 Fax : 01327 300885 Ayrshire St. Helens Pocketnook Street, St. Helens, Merseyside WA9 1LT Telephone : 01744 29145 Fax : 01744 451257 Ayrshire Warley Anne Road, Smethwick, Warley, West Midlands B66 2NZ Telephone : 0121 558 7739 Fax : 0121 558 7772	
Overseas Subsidiary	System-Bau-Elemente Vertriebs GmbH, Munich Telephone : +49 89 8960840 Fax : +49 89 8341431	
Registrar	D K Pickerill - Company Secretary Ayrshire Metal Products plc, Royal Oak Way, Daventry, Northamptonshire NN11 8NR Email : dave.pickerill@ayrshire.co.uk	

STRATEGIC REPORT

Business review

The Group made an improved operating profit in 2016. At the year end the Group has net assets of £7.5m (2015: £7.8m) which includes cash balances of £3.5m (2015 £3.0m). The outlook for 2017 is uncertain.

The Directors do not consider it appropriate to recognise a pension asset as required by accounting standards.

Principal risks and uncertainties

The Directors consider the principal risks to the business to be i) any decline in the economic and market conditions, ii) an increase in competitive pricing and iii) reduced margins.

Key Performance Indicators

	2016	2015
	%	%
Return before tax on Net Assets	6.9	4.4
Return before tax on Sales	2.5	1.6
Operating Margin to Sales	2.4	1.5

Financial risk management and objectives

The Group finances its operations through retained profits and cash. The Group's principal financial instrument is cash. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The main purpose of the cash is to maintain adequate resources for the Group's operations. The Group does not enter into derivative transactions.

The Group does not trade in financial instruments. The board reviews and agrees policies for managing each of the following risks:-

Interest rate risk

The Group seeks to deposit cash assets safely to minimise risk while maximising the interest received.

Liquidity risk

The Group seeks to ensure it has sufficient liquidity available to meet foreseeable needs. Cash reserves minimise liquidity risk.

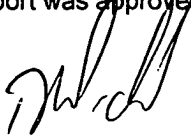
Currency risk

The Group is exposed to translation and transaction foreign exchange risks. The Group seeks to manage these risks by limiting exposure to foreign exchange fluctuations.

Credit risk

All customers who wish to trade on credit terms are subject to credit vetting procedures, and debtors are monitored on an ongoing basis.

This report was approved by the Board and signed on its behalf.



D K Pickerill
Director



M L Wilson
Director

Date: 07/04/2017

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the Financial Statements of the Group for the year ended 31 December 2016.

Results and dividends

The Group results set out on page 12 show operating profit of £518,000 (2015: £334,000 profit).

A Dividend of £0.10 per ordinary share was paid on 20 December 2016 (2015: No Dividend paid).

Activities

Ayrshire Metal Products plc is one of the largest producers of cold rolled steel profiles in the UK with locations at Daventry, St Helens and Warley. The Group operates an overseas subsidiary in Germany.

Group research and development activities

The Group is committed to research and development in order to secure its position as one of the largest producers of cold formed profiles.

Directors

The Directors of the company at the date of this report are shown on page 2.

Mr M J Brown retires by rotation and being eligible offers himself for re-election to the board.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report and 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 laws including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland") except for the accounting for the Senior Officials' Pension Scheme. 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 and profit or loss of the company and Group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- 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.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Matters referred to in the Strategic Report

The business review and principal risks and uncertainties have been included within the Strategic Report.

DIRECTORS' REPORT

Employee information

The Group's policy is to consult and discuss with employees, through staff councils, unions and at meetings, matters likely to affect employees' interests. Information on all matters of concern to employees is given through information bulletins which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance. The employment policies operated throughout the Group are designed to ensure full and fair consideration to all and, where appropriate, to promote the employment of disabled persons, and ensure continuity of employment and training for those persons who may become disabled during their period of employment with the Group. Continued close attention is paid to the health and safety of employees while at work. Consultation with employees is organised according to the particular needs of each location at which the Group operates. It is the policy of the Group that training, development and promotion opportunities should be obtainable by all employees.

Payment Policy

The Group's policy is to agree the terms of payment with suppliers prior to transacting. Trade creditors at the year end amounted to 47 days of average supplies (2015: 46 days).

Auditor

Grant Thornton UK LLP offer themselves for re-appointment as auditors in accordance with section 489 of the Companies Act 2006.

On behalf of the Board:



P J Short Director



M L Wilson Director

Royal Oak Way
Daventry
Northamptonshire
NN11 8NR

Company No: SC006517

Date: 07/04/2017

REPORT OF THE INDEPENDENT AUDITOR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AYRSHIRE METAL PRODUCTS PLC

We have audited the Financial Statements of Ayrshire Metal Products plc for the year ended 31 December 2016 which comprise the accounting policies, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows 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 opinions we have formed.

Respective responsibilities of Directors and auditor

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

A description of the scope of an audit of Financial Statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Basis for qualified opinion on Financial Statements

As detailed in note 18 to the Financial Statements, no provision has been made, in either the current or comparative periods, for the assets and liabilities which arise on the continuing application of Section 28 'Employee Benefits' of FRS 102 in relation to the Group's and Parent Company's defined benefit pension scheme. As disclosed in note 18 the unprovided pension scheme asset at 31 December 2016 was £520,000 (2015: £581,000) and the related unprovided deferred tax liability was £88,000 (2015: £105,000). No entries have been made in the Group and Parent Company Statements of Financial Position in relation to the pension scheme asset or the related deferred tax liability. No entries have been reflected in the Consolidated Income Statement or the Consolidated Statement of Comprehensive Income in relation to the related movements and charges in the year. In our opinion the pension scheme asset and related deferred taxation liability are required to be accounted for under Section 28 of FRS 102.

Qualified opinion on Financial Statements

In our opinion, except for the effects 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 Group's and of the parent company's affairs as at 31 December 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITOR

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have identified material misstatements arising from the matter set out in the Basis for qualified opinion on Financial Statements paragraph, in the Strategic Report and the Directors' Report as follows:

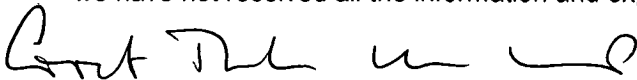
- The Strategic Report includes key performance indicators and net assets which would be affected if the pension surplus were included.
- The Directors' Report includes references to the profit for the year, which would be affected if the pension surplus were included.

Except for these matters, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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 by the parent company, 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.



David White
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

11/4/17

ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards including FRS102 and with the Companies Act 2006.

As permitted by the Companies Act 2006, a separate Income Statement of Ayrshire Metal Products plc is not presented as the results of the Company are included in the Consolidated Income Statement.

Principal judgements and estimates

The principal judgements and estimates considered by Directors in these Financial Statements are as follows:

- Actuarial assumptions in relation to the defined benefit pension scheme – the assumptions are set out in detail in note 18 and Directors have taken advice from an Actuary in the preparation of the scheme valuation and related disclosures.
- The valuation of freehold property is an estimate obtained from the Directors.
- The rates of depreciation applied to fixed assets are management estimates. The rates applied are based on the experience of the business in the consumption of economic value of different classes of assets and are regularly reconsidered as the business develops.
- The recoverability of amounts owed by fellow Group undertakings is reviewed for the ability of the counterparty to repay the amounts owed. The Company considers the financial condition, cash flows and net assets position of the paying party in their assessment.
- Other provisions are made which could have an impact on the Financial Statements including a bad debt provision and a stock provision. These are based upon a set of criteria designed by the Group and applied on a consistent basis.

Basis of consolidation

The consolidated accounts include the Financial Statements of the Company and its subsidiaries made up to 31 December each year. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting.

Turnover

Turnover represents the invoiced sales (exclusive of value added tax) to customers outside the Group, and is recognised in the accounts when goods are delivered.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, net of discounts and rebates, and excluding value added tax and other sales taxes.

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Inventories

Inventories are valued at the lower of cost, including appropriate overheads, and estimated selling price less costs to sell. Provision is made for obsolete, slow moving and defective inventories. Impairment provisions are recognised directly within the Consolidated Income Statement.

ACCOUNTING POLICIES

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer, to the Group, substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Property, plant and equipment - Depreciation

Property, plant and equipment are stated at cost with the exception of freehold land and buildings which are carried at fair value.

Depreciation is provided to write down the cost less estimated residual value of all property, plant and equipment except land, using a straight line basis at the following annual rates representing expected useful economic lives:

Freehold Buildings	3.5 per cent
Long Leasehold Building	3.5 per cent
Plant, machinery and fittings	8-50 per cent
Motor vehicles	20-25 per cent
Rolls and tools	33.3 per cent

Research and development

All expenditure on research and development is charged to the Consolidated Income Statement in the year in which it is incurred.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and"
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

ACCOUNTING POLICIES

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date the transaction occurred. Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at the period end. Exchange differences are taken to the Consolidated Income Statement.

On consolidation, the accounts of the overseas subsidiaries are translated at the year-end rate of exchange. All exchange differences arising on consolidation are dealt with in the retained profits or other reserves as appropriate.

Financial assets

The Company's financial assets in its subsidiaries are stated at cost.

At each reporting date the carrying value of the investment is assessed for impairment. Where impairment losses are identified, the impairment loss is recognised immediately within the Consolidated Income Statement.

Pension costs - defined contribution scheme

The Group offers defined contribution pension schemes for all eligible employees and Directors. The assets of the schemes are held in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds. Once the contributions have been paid the Company has no further obligations.

Pension costs - defined benefit scheme

The Group operates a defined benefit pension scheme. Certain Directors are members of the scheme. The funds are valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates.

The assets of the scheme are held, administered and invested independently of the Group.

Historically the pension scheme assets were shown in the Balance Sheet. From 2015 onwards, the pension scheme assets are not reflected within the Statements of Financial Position and entries are not reflected in the Consolidated Income Statement or the Consolidated Statement of Comprehensive Income in respect to related movements and charges. This is not in accordance with disclosure requirements under FRS102. Disclosures in respect to the relevant scheme are set out in note 18.

ACCOUNTING POLICIES

Cash and liquid resources

For the purpose of the statement of cash flows, cash comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

Financial instruments

Financial instruments are classified according to the substance of the contractual arrangements. Financial liabilities are presented in the Statement of Financial Position as such. Finance costs and gains or losses relating to financial liabilities are included in the Consolidated Income Statement. Dividends are debited direct to equity.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2016

	Note	2016		2015	
		£'000	£'000	£'000	£'000
Turnover – continuing operations	2		21,413		21,573
Cost of sales – continuing operations			<u>(14,752)</u>		<u>(15,752)</u>
Gross profit			6,661		5,821
Distribution costs			(778)		(802)
Administration expenses			<u>(5,365)</u>		<u>(4,685)</u>
			<u>(6,143)</u>		<u>(5,487)</u>
Operating profit on ordinary activities before interest – continuing operations	3		518		334
(Loss)/profit on sale of fixed assets			3		(10)
Other finance income			-		13
Interest receivable	6		<u>6</u>		<u>3</u>
			<u>9</u>		<u>6</u>
Profit on ordinary activities before taxation			527		340
Taxation	8		<u>(150)</u>		<u>(101)</u>
Profit on ordinary activities after taxation and profit for the financial year transferred to reserves			<u>377</u>		<u>239</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2016	2015
Profit for the financial year	377	239
Revaluation of freehold property	-	3,152
Movement on deferred tax on revaluation	13	(342)
Movement on exchange differences arising on consolidation of overseas subsidiary	297	(105)
Movement in pension asset recognised surplus in the year	-	(664)
Deferred tax – movement in pension scheme deferred tax liability	-	143
Total gains recognised since the last Financial Statements	<u>687</u>	<u>2,423</u>

The accompanying accounting policies and notes form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

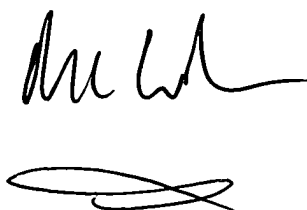
Company Registration Number SC006517

As at 31 December 2016

	Note	GROUP		PARENT COMPANY	
		2016	2015	2016	2015
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Property, Plant and Equipment	9	4,169	4,288	14	14
Financial Assets	10	-	-	1,460	1,460
		<u>4,169</u>	<u>4,288</u>	<u>1,474</u>	<u>1,474</u>
CURRENT ASSETS					
Inventories	11	2,332	1,921	-	-
Debtors	12	2,654	2,640	3,764	5,281
Cash at bank		<u>3,493</u>	<u>2,992</u>	<u>990</u>	<u>456</u>
		<u>8,479</u>	<u>7,553</u>	<u>4,754</u>	<u>5,737</u>
CREDITORS amounts falling due within one year	13	<u>5,169</u>	<u>4,064</u>	<u>69</u>	<u>70</u>
NET CURRENT ASSETS		<u>3,310</u>	<u>3,489</u>	<u>4,685</u>	<u>5,667</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,479</u>	<u>7,777</u>	<u>6,159</u>	<u>7,141</u>
NET ASSETS		<u>7,479</u>	<u>7,777</u>	<u>6,159</u>	<u>7,141</u>
CAPITAL AND RESERVES					
Called up share capital	16	2,463	2,463	2,463	2,463
Capital Redemption Reserve		37	37	37	37
Revaluation Reserve		2,746	2,810	-	-
Profit and loss account		<u>2,233</u>	<u>2,467</u>	<u>3,659</u>	<u>4,641</u>
EQUITY SHAREHOLDERS' FUNDS		<u>7,479</u>	<u>7,777</u>	<u>6,159</u>	<u>7,141</u>

The Financial Statements were approved by the Board of Directors on 07/04/2017.

M L Wilson Directors
P J Short



The accompanying accounting policies and notes form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2016

	GROUP					PARENT COMPANY			
	Share Capital	Capital Redemption Reserve	Revaluation Reserve	Retained Earnings	Total	Share Capital	Capital Redemption Reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2015	2,463	37		2,854	5,354	2,463	37	1,249	3,749
Profit for the year	-	-	-	239	239	-	-	3,913	3,913
Exchange difference arising on consolidation	-	-	-	(105)	(105)	-	-	-	-
Revaluation of freehold property	-	-	3,152	-	3,152	-	-	-	-
Deferred tax on revaluation	-	-	(342)	-	(342)	-	-	-	-
Movement in Pension Asset	-	-	-	(521)	(521)	-	-	(521)	(521)
Total comprehensive income for the year	-	-	2,810	(387)	2,423	-	-	3,392	3,392
Balance at 31 December 2015	2,463	37	2,810	2,467	7,777	2,463	37	4,641	7,141
Profit for the year	-	-	-	377	377	-	-	3	3
Exchange difference arising on consolidation	-	-	-	297	297	-	-	-	-
Transfer between reserves	-	-	(77)	77	-	-	-	-	-
Deferred tax on revaluation	-	-	13	-	13	-	-	-	-
Total comprehensive income for the year	-	-	(64)	751	687	-	-	3	3
Equity Dividend paid to owners	-	-	-	(985)	(985)	-	-	(985)	(985)
Balance at 31 December 2016	2,463	37	2,746	2,233	7,479	2,463	37	3,659	6,159

Retained Earnings of the Parent Company include a £3,800,000 dividend received by Ayrshire Metal Products plc (the parent company) from Ayrshire Metal Products (Daventry) Limited.

The accompanying accounting policies and notes form an integral part of these Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	2016		2015	
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Profit for Financial year		377		239
<i>Adjustments for:</i>				
Deprecation of property, plant and equipment		318		289
(Profit)/Loss on disposal of property plant and equipment		(3)		10
Interest receivable		(6)		(3)
Taxation		150		101
Increase in inventories		(411)		(194)
(Increase) / decrease in debtors		(184)		606
Increase / (decrease) in creditors		<u>1,104</u>		<u>(261)</u>
Cash from operations		1,345		787
Income taxes paid		<u>34</u>		<u>(45)</u>
Net cash generated from operating activities		1,379		742
 Cash flows from investing activities				
Proceeds from sale of equipment	3		-	
Purchases of property, plant and equipment	(198)		(238)	
Interest Received	<u>6</u>		<u>3</u>	
Net cash used in investing activities		(189)		(235)
 Cash flows from financing activities				
Dividends paid	<u>(985)</u>		-	
Net cash used in financing activities		(985)		-
Net increase in cash and cash equivalents		205		507
 Cash and cash equivalents at the beginning of the year		2,992		2,589
Foreign exchange rate changes		<u>296</u>		<u>(104)</u>
Cash and cash equivalents at the end of the year		<u>3,493</u>		<u>2,992</u>
 Components of cash and cash equivalents				
Cash		<u>3,493</u>		<u>2,992</u>

The accompanying accounting policies and notes form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. COMPANY INFORMATION

Ayrshire Metal Products Plc is a Public Limited Company incorporated in Scotland, its registered office is 40 North Castle Street, Edinburgh, EH2 3BN. The principal activity of the Company is the manufacture of cold rolled steel profiles.

2. ANALYSIS OF TURNOVER

The geographical analyses are not disclosed as the Directors believe this is prejudicial to the interests of the Group.

All turnover arose on the principal activity of the business.

3. OPERATING PROFIT	2016	2015
is stated after charging:	£'000	£'000
Depreciation of tangible fixed assets - owned assets	318	289
Auditors' remuneration:		
Fee payable to the Company's auditor for the audit of the Financial Statements	3	9
Fees payable to the Company's auditor for other services:		
Audit of the Financial Statements of the Company's subsidiaries pursuant to legislation	25	21
Other services relating to taxation compliance	7	6
Other services relating to the Group reorganisation	-	32
Operating lease rentals - plant, machinery and vehicles	160	162
Operating lease rentals - buildings	89	99
Inventories charged as an expense	11,001	11,513
Loss / (Gain) on foreign exchange	215	(12)

4. DIRECTORS' AND KEY MANAGEMENT REMUNERATION

<u>Directors</u>	2016	2015
	£'000	£'000
Fees, remuneration and taxable benefits in kind	955	692
Pension contributions to money purchase pension schemes	<u>3</u>	<u>5</u>
	958	697

During the year 3 Directors (2015: 3 Directors) participated in the defined benefit pension scheme and 1 Director (2015: 2 Directors) participated in the defined contribution pension scheme.

The amounts set out above include remuneration in respect of the highest paid Director as follows:

	2016	2015
	£'000	£'000
Remuneration and taxable benefits in kind	<u>422</u>	<u>216</u>

The highest paid Director's accrued pension at the year end was £68,250 p.a (2015: £61,660 p.a)

<u>Key Management Remuneration</u>	2016	2015
	£'000	£'000
Fees, remuneration and taxable benefits in kind	1,765	1,194
Pension contributions to money purchase pension schemes	<u>6</u>	<u>5</u>
	1,771	1,199

NOTES TO THE FINANCIAL STATEMENTS

5. EMPLOYEE INFORMATION

The average number of personnel employed by the Group, including full-time executive Directors, during the year was as follows:	2016 Number	2015 Number
Management	12	12
Administration	38	39
Sales	30	30
Production	<u>60</u>	<u>56</u>
	<u>140</u>	<u>137</u>

The aggregate payroll costs were:	2016 £'000	2015 £'000
Wages and salaries	5,894	5,383
Social security costs	426	434
Other pension costs	<u>91</u>	<u>91</u>
	<u>6,411</u>	<u>5,908</u>

6. INTEREST RECEIVABLE	2016 £'000	2015 £'000
Income from short term deposits	<u>6</u>	<u>3</u>

7. PARENT COMPANY

The parent company has taken advantage of section 408(3) of the Companies Act 2006 and has not included its own Income Statement in these Financial Statements. The parent company's profit before tax for the year was £3,895 (2015 profit: £3,949,670).

8. TAXATION	2016 £'000	2015 £'000
UK corporation tax charge	77	11
UK corporation tax: adjustments in respect of prior periods	(2)	(3)
Overseas tax	<u>61</u>	<u>48</u>
Total current tax	136	56
Deferred tax	<u>14</u>	<u>45</u>
Total tax charge for the year	<u>150</u>	<u>101</u>

NOTES TO THE FINANCIAL STATEMENTS

The corporation tax assessed for the period is different than the standard rate in the UK of 20.00% (2015: 20.25%). The differences are explained as follows:-

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	<u>527</u>	<u>340</u>
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	105	69
Effects of:		
Expenses not deductible for tax purposes	4	12
Lower rate of tax on Deferred Tax	(2)	2
Higher rate of tax paid on overseas subsidiaries	45	11
Adjustments in respect of prior periods	<u>(2)</u>	<u>7</u>
Total tax charge for year	<u>150</u>	<u>101</u>

The Group has tax losses of £Nil (2015: £76,200) available to carry forward to offset against future taxable profits.

The main rate of corporation tax will reduce from 1 April 2017 to 19% and to 18% from 1 April 2020 (a change which was substantively executed as of 21 July 2015 as part of the Finance Bill 2015).

9. PROPERTY, PLANT AND EQUIPMENT

	GROUP				PARENT COMPANY		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Freehold Property	Leasehold Property	Plant	Total	Freehold Property	Plant	Total
Cost / Valuation at 1 January 2016	3,520	280	10,671	14,471	14	-	14
Additions	-	-	198	198	-	-	-
Disposals	-	-	(83)	(83)	-	-	-
Exchange movement	<u>-</u>	<u>-</u>	<u>40</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cost / Valuation at 31 December 2016	3,520	280	10,826	14,626	14	-	14
Depreciation at 1 January 2016	-	263	9,920	10,183	-	-	-
Charge for the year	83	-	235	318	-	-	-
Disposals	-	-	(83)	(83)	-	-	-
Exchange movement	<u>-</u>	<u>-</u>	<u>39</u>	<u>39</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation at 31 December 2016	83	263	10,111	10,457	-	-	-
Net book value at 31 December 2016	<u>3,437</u>	<u>17</u>	<u>715</u>	<u>4,169</u>	<u>14</u>	<u>-</u>	<u>14</u>
Net book value at 31 December 2015	<u>3,520</u>	<u>17</u>	<u>751</u>	<u>4,288</u>	<u>14</u>	<u>-</u>	<u>14</u>

Included in the net book value of property is £1,234,765 (2015: £1,234,765) of land which is not depreciated. Included in Plant are plant, machinery, fittings, rolls and tools and motor vehicles.

Freehold land and buildings is carried at fair value which has been estimated by the directors. The historic cost of freehold buildings was £1,616,891 (2015: £1,616,891). The accumulated depreciation on historic cost would have been £1,255,729 (2015: £1,249,667) if the properties had not been revalued.

NOTES TO THE FINANCIAL STATEMENTS

10. FINANCIAL ASSETS

PARENT COMPANY

	2016	2015
	£'000	£'000
<u>Subsidiary undertakings</u>		
At 1 January	1,460	960
Additions	<u>-</u>	<u>500</u>
At 31 December	<u>1,460</u>	<u>1,460</u>

On 31 December 2015 the Company subscribed to the entire issued share capital of Ayrshire Metals Ltd for £10,000. Following this the Company also made a capital contribution amounting to £490,000. This represents the capitalisation of a funding balance and the parent company has waived rights to this amount. This has been treated as an addition to the Company's investment in Ayrshire Metals Ltd.

Subsidiary undertakings

At 31 December 2016, and throughout the year ended on that date, the Company owned directly the whole issued ordinary share capital of:

Nature of business

Ayrshire Metal Products (Daventry) Ltd. (Registered in Scotland)	Non-Trading
Ayrshire Metal Pension Trust Ltd. (Registered in Scotland)	Dormant
Ayrframe Ltd. (Registered in Scotland)	Dormant
Airframe Ltd. (Registered in England)	Dormant
Ayrshire Steel Framing Ltd. (Registered in England)	Cold roll forming
System-Bau-Elemente Vertriebs GmbH (incorporated in Germany)	Cold roll forming
Ayrshire Metals Ltd (Registered in England)	Cold roll forming

11. INVENTORIES

	GROUP		PARENT COMPANY	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Raw materials and consumables	1,698	1,276	-	-
Work in progress	<u>634</u>	<u>645</u>	<u>-</u>	<u>-</u>
	<u>2,332</u>	<u>1,921</u>	<u>-</u>	<u>-</u>

The difference between the above values and estimated replacement costs is not material.

12. DEBTORS due within one year

	GROUP		PARENT COMPANY	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Trade debtors	2,253	2,185	-	-
Corporation tax	4	174	-	-
Amounts owed by subsidiary undertakings	-	-	3,764	5,281
Tax and social security	144	-	-	-
Other debtors and prepayments	<u>253</u>	<u>281</u>	<u>-</u>	<u>-</u>
	<u>2,654</u>	<u>2,640</u>	<u>3,764</u>	<u>5,281</u>

An impairment provision of £47,848 (2015: £38,160) was recognised against trade debtors.

NOTES TO THE FINANCIAL STATEMENTS

13. CREDITORS amounts falling due within one year	GROUP		PARENT COMPANY	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Trade creditors	2,427	2,025	-	-
Tax and social security	-	5	-	-
Corporation Tax	-	-	1	1
Deferred Tax (note 14)	315	314	-	-
Accruals	<u>2,427</u>	<u>1,720</u>	<u>68</u>	<u>69</u>
	<u>5,169</u>	<u>4,064</u>	<u>69</u>	<u>70</u>

14. DEFERRED TAXATION	GROUP		PARENT COMPANY	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Accelerated depreciation	(10)	(4)	-	-
Unutilised losses	-	24	-	-
Other timing differences	24	8	-	-
Property Revaluation	<u>(329)</u>	<u>(342)</u>	<u>-</u>	<u>-</u>
Deferred tax liability	<u>(315)</u>	<u>(314)</u>	<u>-</u>	<u>-</u>
The movement in the year is as follows				
At 1 January 2016	(314)	73	-	107
Credit during the year	(1)	(45)	-	(37)
Property Revaluation	13	(342)	-	-
Transferred to fellow Group company	-	-	-	(70)
At 31 December 2016	<u>(302)</u>	<u>(314)</u>	<u>-</u>	<u>-</u>

15. RESERVES

Profit and Loss Account

Records cumulative effect of all historic profits for the Company.

Share Capital

Relates to the nominal value of shares received on shares issued by the Company.

Capital Redemption Reserve

Represents the nominal value of shares cancelled on the purchase of own shares in order to maintain the capital base of the Company.

Revaluation Reserve

Represents the revaluation gains from evaluating the fair value of freehold property.

16. CALLED UP SHARE CAPITAL	GROUP		PARENT COMPANY	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Authorised				
12,000,000 ordinary shares of 25p	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Allotted, called up and fully paid				
9,850,638 (2015: 9,850,638) ordinary shares of 25p	<u>2,463</u>	<u>2,463</u>	<u>2,463</u>	<u>2,463</u>

NOTES TO THE FINANCIAL STATEMENTS

17. FINANCIAL INSTRUMENTS

	GROUP		PARENT COMPANY	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	2,253	2,185	3,764	5,281
Cash at bank	<u>3,493</u>	<u>2,992</u>	<u>990</u>	<u>456</u>
	<u>5,746</u>	<u>5,177</u>	<u>4,754</u>	<u>5,737</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>4,854</u>	<u>3,745</u>	<u>68</u>	<u>69</u>

Financial assets measured at amortised cost comprise trade debtors and amounts owed by Group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to Group undertakings and accruals.

18. PENSION SCHEMES

(a) Group Personal Pension Scheme

The Company offers a defined contribution pension scheme. The assets of the scheme are held in independently administered funds.

The pension costs charge represents contributions payable by the Company to the fund, amounting to £91,000 (2015: £91,000). Contributions totalling £Nil (2015: £Nil) were payable to the fund at the balance sheet date.

(b) Senior Officials' Pension Scheme

Historically the pension scheme assets were shown in the Balance Sheet. From 2015 onwards, pension scheme assets are not reflected within the Statements of Financial Position and entries are not reflected in the Consolidated Income Statement or the Consolidated Statement of Comprehensive Income in respect to related movements and charges. This is not in accordance with disclosure requirements under FRS102. This decision has been taken in order that the Financial Statements of the Group show a fair view.

All other disclosures required under FRS102 are set out below in order to provide sufficient information had a decision been taken to recognise matters relating to the Senior Officials' Pension Scheme in the primary statements of the Group.

Ayrshire Metal Products plc sponsors the Ayrshire Metal Products Senior Officials' Pension Scheme which is a funded defined benefit (final salary) arrangement. The scheme is closed to new entrants.

NOTES TO THE FINANCIAL STATEMENTS

Over the financial year the employer has continued to enjoy a contribution holiday except for the payment of premiums to insure death in service benefits, cost of levies to the Pension Protection Fund and ongoing administrative and management expenses of running the scheme.

	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Fair value of scheme assets	15,053	12,246	12,060	12,711	10,983
Present value of scheme liabilities	6,169	4,949	4,938	5,476	5,945
Surplus in scheme	8,884	7,297	7,122	7,235	5,038
Unrecoverable surplus	(8,364)	(6,716)	(6,458)	(6,293)	(3,831)
Asset	520	581	664	942	1,207
Deferred tax	(88)	(105)	(143)	(188)	(278)
Net asset	432	476	521	754	929

Changes in Defined Benefit Obligation

	Year Ended 31/12/16 £'000	Year Ended 31/12/15 £'000
Opening Defined Benefit Obligation	4,949	4,938
Current service cost	154	139
Interest cost	198	185
Actuarial (gains) / losses	1,004	(172)
Benefits paid	(136)	(141)
Closing Defined Benefit Obligation	6,169	4,949

Change in Fair Value of Scheme Assets

	Year Ended 31/12/16 £'000	Year Ended 31/12/15 £'000
Fair value of scheme assets at start of period	12,246	12,060
Actual Return on Scheme Assets less Interest Income	2,496	(107)
Interest Income	486	450
Benefits paid	(136)	(141)
Administration Costs	(39)	(16)
Fair value of scheme assets at end of period	15,053	12,246

NOTES TO THE FINANCIAL STATEMENTS

Amounts Recognised in Consolidated Income Statement

	Year Ended 31/12/16 £'000	Year Ended 31/12/15 £'000
Current Service Cost	-	-
Net Interest on Net Defined Benefit Obligation	-	-
(Gains) and Losses Due to Surplus Limitation	-	-
Administration Costs	-	-
Total pension costs recognised in the Statement of Comprehensive Income	-	-

Assets

The major categories of scheme assets, are as follows:

	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Equities	12,398	9,944	9,720	9,579	7,774
Bonds	2,549	2,203	2,279	2,911	3,020
Cash	106	99	61	221	189
Total Assets	15,053	12,246	12,060	12,711	10,983

None of the fair values of the assets shown above include any of the Group's own financial instruments or any property occupied by, or other assets used by, the Group.

Assumptions

	2016 % per annum	2015 % per annum	2014 % per annum	2013 % per annum	2012 % per annum
Inflation	3.5	3.25	3.15	3.45	2.70
Salary increases	3.8	3.55	3.45	3.75	3.00
Rate of discount	2.8	4.00	3.75	4.70	4.30
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.5	3.70	3.50	3.50	3.50
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	2.5	2.25	2.15	2.45	2.00
Allowance for commutation of pension cash at retirement.	Nil	Nil	Nil	Nil	Nil

The mortality assumptions adopted at 31 December 2016 imply the following future life expectancies:

Male currently age 40	30 years
Female currently age 40	32 years
Male currently age 60	28 years
Female currently age 60	30 years

NOTES TO THE FINANCIAL STATEMENTS

19. CAPITAL COMMITMENTS

	GROUP		PARENT COMPANY	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Expenditure contracted for but not provided for amounts to	<u>29</u>	<u>16</u>	-	<u>16</u>
Expenditure authorised but not contracted for	<u>22</u>	<u>21</u>	-	<u>12</u>

20. OPERATING LEASES

The future minimum operating Plant and Machinery lease payments due at 31 December are as follows:-

	GROUP		PARENT COMPANY	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Expiring within one year	107	87	-	40
Expiring within two to five years	<u>119</u>	<u>53</u>	<u>-</u>	<u>39</u>
	<u>226</u>	<u>140</u>	<u>-</u>	<u>79</u>

21. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Guarantees given in respect of performance bonds in the normal course of business amounted to £8,000 at 31 December 2016 (2015: £1,697).

The Company is a party to an unlimited cross guarantee arrangement with certain other subsidiary undertakings in respect of Group banking arrangements. At 31 December 2016 the Company has a contingent liability of £Nil (2015: £Nil) in respect of this guarantee.

Apart from as disclosed above, the Company has no other contingent liabilities (2015: £Nil).

22. ULTIMATE CONTROLLING PARTY

Knapdale (Nominees) Ltd, a company controlled by M.L. Wilson, controls 5,114,000 of the Company's issued share capital and is the ultimate controlling party.