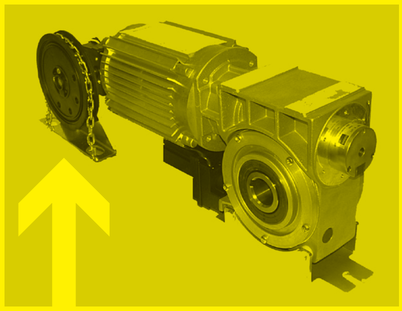
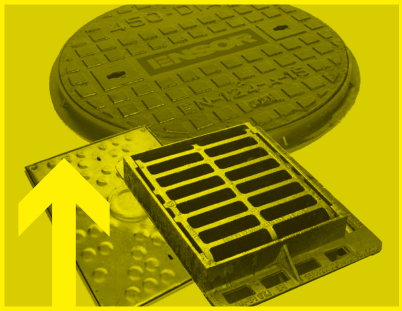
ENSOR HOLDINGS PLC





Annual Report and Accounts

for the year ended 31 March 2016

Stock Code: ESR

Contents

Chairman’s Statement

This has been a very active period for the Ensor Group. We have successfully sold three of our businesses, profitably disposed of land and property assets and dealt with our pension obligations. This is in addition to making progress in our remaining businesses where overall margins have improved despite unsettled trading conditions.

Excluding Ensor Building Products, which contributed only six months’ trading to our Group results this year, against a full twelve months last year, the Ensor Group has increased annual sales by 6% (2016: £16.0million, 2015: £15.1million). Gross margins have also increased from 28.3% in 2015 to 28.8% this year.

Ellard, our subsidiary which supplies electric motors and controls for the automation of doors and gates, has continued to gain market share, increasing sales by 15% during the year. The company sources a large proportion of its products from the Far East and pays for them in US dollars. Despite unsettled currency markets, margins have been largely unaffected. New products have been successfully launched by Ellard during the year and we have constructed additional production space at the company’s Manchester warehouse and distribution centre.

OSA Door Parts supplies the same markets as Ellard. The Company manufactures bespoke insulated industrial and garage doors. These are supplied to installers and dealers throughout the UK and Eire. Margins have increased at OSA during the year and, although the construction market during the second half of the year was flat, we are now seeing a growing order book.

Wood’s Packaging continues to make progress and gain increased market share. Margins have been robust but US dollar exchange rates are a challenge due to the increasing levels of goods purchased from the Far East.

A year ago we announced that, following a strategic review of our business, we had decided to look for a buyer for the Group. At the half-year, I said that we had concluded that a series of trade sales of our subsidiary businesses was preferred to seeking a buyer for the shares of Ensor Holdings PLC.

During the year to 31 March 2016 we sold Ensor Building Products to the management of that business for £1.44million, realising a profit on the sale of £168,000. The freehold property occupied by Ensor Building Products has also been sold at a premium of £147,000 against the book value.

As previously reported, we have also sold our land holdings in Woodville and Stockport during the year, these have realised a profit of £785,000 on disposal.

When I last reported to you on the half year, I said that we intended to purchase an annuity to secure all future liabilities of the Ensor Group Pension Fund, as a precursor to a buyout and winding up of the scheme. An annuity was purchased in December 2015 at a cost of £5.4million in addition to the scheme assets and the process to wind up the scheme has been started.

After financing this annuity purchase, the Group remained financially strong with net borrowings of only £819,000 at the year-end.

Earlier in July we disposed of a further two of our subsidiaries, OSA Door Parts and Technocover. The Technocover consideration was £10million, paid in cash, with an amount of £250,000 held in retention for a period of eighteen months from completion. An additional £1.1million of cash was transferred to Ensor prior to completion of the sale, in a debt-free, cash-free transaction. We originally purchased 90% of the shares in Technocover in 2012, for a nominal sum. The remaining 10% of the shares were acquired in 2014 for £1million.

We also disposed of OSA Door Parts in July this year for £2.5million, paid in cash, with an additional £520,000 of cash transferred to Ensor prior to completion of its sale. This transaction was, again, debt-free and cash-free. OSA had been a business start-up for Ensor in 2001.

Our remaining businesses are being actively marketed, and we are speaking to a number of interested potential buyers. It is not our intention, however, to sacrifice shareholder value for the sake of an early sale.

I can again report that we are proposing to pay an increased net final dividend of 1.55p per share, making a total dividend paid and proposed of 2.3p per share for the year. This is an increase of 21% against a total dividend of 1.9p per share last year. The dividend will be paid in cash only, on 22 September 2016, to shareholders registered on 12 August 2016. The ex-dividend date will be 11 August 2016.

May I finally thank all the men and women around the Group for your continued hard work during the year. I can assure you that we have everybody’s interests in mind. Also, my thanks to our shareholders for continuing to support the company.

K A Harrison TD
Chairman
22 July 2016

Strategic Report

Operating results and future developments

The results for Continuing Operations comprise those of Ensor Holdings PLC, Ellard Limited ("Ellard"), OSA Door Parts Limited ("OSA"), Wood's Packaging Limited ("Wood's") and Ensor Building Products Limited ("EBP"). EBP was sold in October 2015, but its scale did not warrant treatment as discontinued. OSA has not been treated as discontinued because the requirements to do so were not fulfilled at the year-end.

Discontinued operations comprise the results of Technocover Limited, which was disposed of on 13 July 2016.

Continuing operations

Sales of £19.2million include £16.0million in respect of the three businesses which were subsidiaries of the group throughout the year and £3.2million in respect of EBP. The former saw sales increase by £897,000, or 5.9% year-on-year.

Operating profit has been sub-analysed in the Consolidated Income Statement to highlight the exceptional elements associated with the programme of disposals which have taken place during the report year and are addressed later in this report.

Operating profit before exceptional gains reduced by £242,000 to £1,701,000, due to:

- the absence of EBP from the consolidated figures after September 2015;
- the allocation of central costs increased by a reduction in rental income, which had previously been deducted from central costs, following property disposals; and
- the disposal of the waste transfer business which constituted the 'Other' operating segment.

Before the allocation of central costs, the operating profits of the continuing Building Products and Packaging businesses increased by £22,000 year-on-year despite less favourable US dollar and euro exchange rates during the second half of the year.

Ellard continued to increase market share, growing sales by 15% to £8.5million, representing a 3-year compound annual growth rate of 14%.

Although contribution levels were diluted by strategic product decisions and exchange rate movements towards the end of the previous year, they strengthened through the current year; the strong sales growth ensuring that gross margins were maintained.

Increased overheads reflect the investment made in people and premises, in particular, which underpins the established past, and expected future, growth in sales and profits.

Operating profit of £890,000 represented a 10% increase over the preceding year.

OSA's sales growth has been more modest over the last three years, with turnover amounting to £4.1million for the report year. Nevertheless, the business continued to perform strongly, posting an operating profit of £498,000.

Gross margins were strong throughout the year, reinforced by relative euro weakness for most of the period, and overheads were contained at prior-year levels, reflecting a measured performance.

Whilst the strengthening euro presented a challenge to maintaining margins, the business has developed opportunities in its product portfolio to counter that challenge.

Our Packaging segment, represented by Wood's, again reported healthy sales and achieved 3-year compound annual growth in excess of 17%.

Sales of £3.6million, coupled with maintained, robust margins and controlled overheads, yielded an operating profit of £628,000.

The business was relocated to larger premises during the year, an event which was successfully managed to ensure negligible disruption, and now has ample capacity to sustain further growth.

The group-wide programme of business and asset disposals diminishes the overall income generation potential of the group, but the constituent businesses remain strong.

Exceptional gains

The reported operating profit of £2,861,000 includes exceptional gains of £1,160,000 relating to the various categories of asset disposals completed during the year:

- the disposals, for gross proceeds of £3,034,000, of the Woodville and Stockport freeholds, which were classified as held-for-sale in 2015, created a gain of £785,000 net of disposal costs;
- the disposals of the Woodville waste transfer business and Blackburn freehold used by EBP for £935,000 represented a net gain of £207,000; and
- the disposal of the EBP shareholding for £1,441,000 realised a net gain of £168,000.

Finance costs

Finance costs principally comprise bank loan and overdraft interest and the financing cost on the defined benefit pension scheme.

Last year we recognised a credit of £198,000 in respect of an interest hedge on a bank loan, which had been the subject of a mis-selling claim. This credit countered the majority of the normal charge.

This year, the interest cost of the pension fund has reduced, from £89,000 to nil, following the purchase of an annuity to secure the liabilities of the pension scheme.

Income tax

The tax charge of £383,000 represents 13.6% of profit before tax, varying from the main UK corporation tax rate of 20% principally as a consequence of the utilisation of brought forward capital losses and the tax exempt status of the disposal of the EBP shareholding.

The tax benefit of the pension transaction debit is reflected in the Consolidated Statement of Comprehensive Income along with the charge to which it relates.

Discontinued operation

The composition of the profit derived from the discontinued operation, is detailed in note 2 to the financial statements.

As reported last year, Technocover's current year trading benefitted from a carry-over of AMP5 orders which resulted in an unusually strong order book at the beginning of the year. This enabled an expected result to be returned despite the new AMP6 programme of the water industry being slower than expected to get underway.

Although sales were maintained at £14.7million, the trading result was moderated by the inefficient, end-of-contract nature of elements of the carried over work. Additional costs were incurred to strengthen the technical subcontracting capabilities of the business, which will benefit the future, and increased depreciation charges, attributable to significant capital investment since 2014, also constrained profits.

Statement of Comprehensive Income

In addition to the retained profit for the year, the Statement of Comprehensive Income includes a net debit of £2.9million in respect of the securing of the group's pension deficit. This broadly represents the excess of the actual buyout cost over and above the deficit recorded on an ongoing accounting basis, net of taxation.

Essentially, it cost the company £5.6million to secure the brought forward deficit of £2.1million, crystallising a loss of £3.5million, against which we expect to recover tax of £0.6million.

Cash flow and financial position

The group's cash flow is dominated by the realisation of significant assets and the cost of securing uncertain pension obligations.

The exceptional disposals of businesses and freehold properties generated cash of £5.3million, which essentially matched the exceptional payments of £5.4million required to finance benefit transfers and the purchase of an annuity to secure the obligations of the defined benefit pension scheme for which Ensor is responsible.

Otherwise, operating cash flow of £3.3million made possible a £762,000 reduction in net debt and year-end gearing of 7.1%.

A term loan of £2million replaced a corresponding part of the established overdraft facility, reflecting the expectation that it will be repaid out of further asset disposals.

Significant changes to the composition of the group Statement of Financial Position are attributable to the past and anticipated business and asset disposals, and to the hedging of the pension deficit.

After accounting for profits, dividend payments and the pension fund transaction, net assets have reduced marginally to £11.3million.

Disposals after the year end

On 11 July 2016 the entire issued share capital of OSA Door Parts Limited was sold to Argent Industrial Limited for consideration of £2,500,000.

The consideration was payable in cash on completion. In addition, net cash of £520,000 was retained by Ensor. The value of assets disposed of was approximately £879,000.

On 13 July 2016 the entire issued share capital of Technocover Limited was sold to Lionweld Kennedy Flooring Limited, a subsidiary of Hill & Smith Holdings PLC, for a total cash consideration of £10,000,000 on a debt and cash free basis.

Out of the consideration, which was payable in cash on completion, an amount of £250,000 has been retained in escrow for up to 18 months. In addition, net cash of £1,100,000 was retained by Ensor. The value of assets disposed of was £3,695,000, subject to any balancing receipt or payment in respect of completion accounts in due course.

Dividend

The directors propose to pay a final dividend of 1.55p per share in respect of the financial year ended 31 March 2016 (2015: 1.3p). Dividends of £613,000, being the final dividend of 1.3p and interim dividend of 0.75p, were paid on ordinary shares during the year ended 31 March 2016 (2015: £479,000).

Dividends paid and proposed

In respect of the year ended 31 March:	**2016**	2015
Interim dividend paid	**0.75p**	0.6p
Final dividend proposed	**1.55p**	1.3p
	2.30p	1.9p

Key performance indicators

The objective of the group is to deliver growth in revenue and profitability, therefore increasing the return to shareholders. In order to measure the group's effectiveness in this strategy, the board considers a number of key performance indicators. In addition to the universal performance indicators of sales, gross margins, operating profit, earnings per share, cash flow and gearing referred to above, or in the Chairman's Statement, the following indicators, which have been adjusted to take into account only continuing operations, are relevant in assessing the group's performance:

	2016	2015
Organic revenue growth (continuing operations) Percentage increase in revenue for the existing members of the group for the financial period	5.9%	4.6%
Net return on sales Profit after tax as a percentage of revenue, to assess the overall levels of management of profitability	13.3%	7.0%
Earnings before interest, taxation, depreciation and amortisation This measures the profitability of the group before external factors are taken into account for the existing members of the group	£1,697,000	£1,849,000
Percentage of receivables in excess of 60 days old A measure of the control of working capital	8.3%	5.3%
Pre-tax return on average net assets An assessment of the effectiveness of the group in utilising the investment of shareholders	24.8%	18.1%
Net assets per share A measure of shareholder investment	37.4p	38.3p
Share price at year end A representation of the value of shareholder investment	73.0p	73.0p
Increase in share price during year An indication of wealth generation on behalf of shareholders	0.0%	15.0%

Indicators of a more activity-specific nature are used within the group to assess the performance of subsidiary companies. These indicators are used in conjunction with the controls described in the Corporate Governance statement and relate to a wide variety of aspects of the businesses, for example, working capital measures, production yields, quality control, targets, market share information, product return rates, etc. Due to the differences in size and markets across the group's businesses it is not practicable to provide a more detailed analysis of how these indicators are applied to each of the respective activities.

Principal risks and uncertainties

The board meets regularly to discuss the management of the group, and board members meet regularly with the management of the trading subsidiaries. A significant portion of this discussion addresses the principal risks and uncertainties facing the businesses, and the ways in which these risks can be mitigated.

The following risks are considered to warrant consideration.

Financial risks

Financial risks are summarised in the table below and are discussed in more detail in note 23 to the accounts.

Risk	Description of problem	Mitigation strategy
Credit risk	The risk that receivables will not be recovered when they are due, causing financial loss.	Risk is mitigated by seeking credit checks for new customers, reviewing existing receivables regularly and maintaining strong relationships with customers.
Foreign currency rate risk	The risk that foreign currency rates will change, causing purchases to be more expensive.	The group uses forward contracts to hedge against currency movements, providing certainty in dealing with overseas suppliers.
Interest rate risk	The risk that interest rates will rise, causing financial loss.	The group finances its operations using a combination of retained profits and bank loans and overdrafts. Rates are negotiated to ensure they are competitive and gearing is monitored.
Liquidity risk	The risk that companies within the group will encounter difficulty in meeting financial liabilities.	The group operates at a high level of interest cover and at low levels of net debt relative to its asset value.

Non-financial risks

Risk	Description of problem	Mitigation strategy
Risk of reduced demand or loss of business to competitors	The risk that anticipated demand for the group's products does not materialise, impacting on turnover.	Management reviews order books regularly to anticipate any such issues, and seeks to widen the customer base to avoid over-reliance on key customers. Competitor activity is monitored to ensure that our products remain attractive in comparison.
Risk of break-down of supply chain	The risk that the group cannot source the required raw materials or goods for resale, meaning that it will be unable to fulfil orders.	Stock requirements are considered as part of the detailed annual budgeting process and are monitored at regular meetings. Close relationships are maintained with key suppliers and links are forged with alternative suppliers.
Product quality risk	There is a risk that products will fall short of the standards expected in the market.	Thorough quality control procedures are in place and any customer concerns are addressed promptly and at an appropriate level within the business.
Risk of technological change.	There is a risk that competitors will gain advantage through technological advancements that leave our group companies behind.	Where it is considered beneficial, companies undertake research and development to enable them to keep abreast of changing technologies and to lead the way in product development.
Risk of health and safety breach	There is a risk that a health and safety breach will result in a claim against the group or sanctions to be taken against one of the group companies.	The group employs health and safety advisers who visit all the sites to advise on such matters and ensure compliance with best practice and legislation. Each site has an employee responsible for these matters and progress is monitored at management meetings.
Risk of loss of key personnel	There is the risk that a key member of staff will leave the group, leaving nobody able to take on that person's responsibilities.	Succession planning is always under consideration for all group companies, and information is shared between staff members to ensure that there is no over-reliance on key personnel.
Pension scheme deficit risk	The risk that pensions investments will not perform sufficiently well, or that demographic changes will increase the pension scheme liabilities, increasing the deficit and therefore reducing the net assets of the group.	Pension consultants are employed to monitor the deficit and advise on investment policies, retirement entitlement and funding requirements.

Market risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates, which are dealt with under financial risks, above.

Employee relations

The group supports the employment of disabled people wherever possible, both in recruitment and by retention of those who become disabled during their employment.

Appropriate steps are taken to inform and consult employees regarding matters affecting them and the group.

The group's policy regarding health and safety is to ensure that, as far as is reasonably practicable, there is a working environment which will minimise the risk to health and safety of employees and those persons who are authorised to be on its premises.

Environment

The group's policy with regard to the environment is to ensure that we understand and effectively manage the actual and potential environmental impact of our activities. Our operations are conducted such that we comply with all legal requirements regarding the environment in all areas where we carry out our business. During the period covered by this report the group has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

Payments to suppliers

It is group policy to agree and clearly communicate the terms of payment as part of the commercial arrangements negotiated with suppliers and then to pay according to those terms based upon the timely receipt of an accurate invoice.

This report was approved by the board on 22 July 2016 and signed on its behalf by.

A R Harrison
Chief Executive

Report of the Directors

The directors present their report and audited financial statements for the year ended 31 March 2016.

The company is incorporated in England and Wales under the Companies Act. Details of the registered office can be found under Directors and Advisers on page 10.

Business Review and Future Developments

A review of the business and the future developments of the group are contained within the strategic report.

Share capital

The Companies Act 2006 permits a company to purchase its own shares if the purchase has been authorised by the shareholders in general meeting. It is common practice for publicly traded companies to seek such authority and the directors consider it is prudent for them to do so. At the annual general meeting, shareholders will be asked to renew the company's authority to purchase its own issued ordinary shares of 10p each at a price of not less than 10p per share and not more than 5% above the average of the middle-market quotations of the London Stock Exchange for the five days before the purchase. The authority is for the purchase of a maximum of 4,622,711 shares, being approximately 15% of the issued share capital, and will expire at the earlier of the conclusion of the next annual general meeting or 18 months from the date of the resolution.

At 31 March 2016, the company held 922,098 of its own shares (2015: 922,098).

Directors

The directors who served during the period were as follows:

K A Harrison

A R Harrison

M A Chadwick

A E Coyne

C M Harrison

P J Harrison

A E Coyne and M A Chadwick retire by rotation and offer themselves for re-election.

Directors' indemnities

Indemnity insurance is in place for all serving directors.

Directors' interests

The interests of directors and their families in the Ordinary 10p shares in the company were as follows:

	At 31 March 2016 Beneficial	At 31 March 2015 Beneficial
K A Harrison	1,498,380	1,498,380
C M Harrison	3,895,794	3,895,794
A R Harrison	4,172,750	4,172,750
P J Harrison	4,157,500	4,157,500
M A Chadwick	196,601	196,601
A E Coyne	53,716	53,716

In addition to the beneficial interests disclosed above, 2,500,000 (2015: 2,500,000) shares are held jointly by K A Harrison, C M Harrison, A R Harrison and P J Harrison, as trustees. There have been no changes in the above interests between 31 March 2016 and the date of this report.

Directors' responsibilities

The directors are responsible for preparing the strategic report, the annual 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 group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the company 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 group and company and of the profit or loss of the group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

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 the group accounts have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- state, with regard to the parent company financial statements, whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 requirements of 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.

Dividend

The directors propose to pay a final dividend of 1.55p per share in respect of the financial year ended 31 March 2016 (2015: 1.3p). Dividends of £613,000, being the final dividend of 1.3p and interim dividend of 0.75p, were paid on ordinary shares during the year ended 31 March 2016 (2015: £479,000).

Dividends paid and proposed

In respect of the year ended 31 March:	**2016**	2015
Interim dividend paid	**0.75p**	0.6p
Final dividend proposed	**1.55p**	1.3p
	2.30p	1.9p

Financial risk exposure and management

The exposure to financial risks and the management of these risks is discussed in the Strategic Report and in note 23 to the accounts.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' statement as to disclosure of information to auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Substantial shareholdings

The directors are aware of the following significant shareholdings:

Name	Number	Percentage
K A Harrison	1,498,380	5.0%
C M Harrison	3,895,794	13.0%
A R Harrison	4,172,750	14.0%
P J Harrison	4,157,500	13.9%
A R Harrison & P J Harrison in Trust	2,500,000	8.4%
D Stredder	1,030,000	3.4%
B Morgan	1,000,000	3.3%

Auditors

A resolution to reappoint BDO LLP as auditor of the company will be proposed at the annual general meeting.

Subsequent events

Subsequent events are detailed in Note 30 to the accounts.

This report was approved by the board on 22 July 2016 and signed on its behalf by.

M A Chadwick
Secretary

Corporate Governance

Application of the principles of good governance

Although, as an AIM listed company, the company is not required to comply with the provisions of the UK Corporate Governance Code, and this is not a statement of compliance as required by the code, the board of directors recognises the importance of, and is committed to, ensuring that effective corporate governance procedures relevant to smaller listed companies are in place.

The board

The group is managed by a board, consisting of the chairman, two executive members and three non-executive members, who retain responsibility for the formulation of corporate strategy, approval of acquisitions, divestments and major capital expenditure and treasury policy. The appointment of new directors is a matter reserved for the board as a whole rather than for a separate nomination committee.

The board meets regularly and has a schedule of matters specifically referred to it for decision. All directors have access to advice from the company secretary and training is available for directors as necessary.

The board considers A E Coyne to be independent.

Internal control

The directors have overall responsibility for ensuring that the group maintains a system of internal control to provide them with reasonable assurance regarding effective and efficient operations, internal financial control and compliance with laws and regulations. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the group's strategic objectives. However, there are inherent limitations in any system of internal control and accordingly even the most effective system can only provide reasonable and not absolute assurance. The board has reviewed the operation and effectiveness of the system of internal control in operation during the year.

Individual companies are managed locally, supported by the chief executive and the board, with responsibility for the operation of the business to meet standards required by both the group and appropriate regulatory authorities. In addition, annual plans and longer-term overviews of objectives are prepared by each business management team and reviewed at minuted meetings by at least one executive director.

Individual business management is also responsible for reporting to the board on the assessment and minimising of all business risks, supported by group personnel able to provide specific assistance in matters relating to health and safety, environment, quality systems and insurance cover for property and liability risks.

Monthly accounts, with commentary on current year performance compared with historical and planned performance, together with key ratio analysis and working capital information, are prepared in accordance with group accounting policies and principles. They are consolidated and reviewed at the company and, in summary, by the board, to monitor overall performance and intervene as appropriate.

The company monitors the funding requirements of, and the banking facilities provided to, individual operations, in addition to the management of investment and treasury procedures. Capital and significant investment expenditure is approved against performance criteria through a structure of authority limits.

The board has considered the need for an internal audit function but has concluded that the size and complexity of the group does not justify the expense at present. The need for an internal audit function will continue to be reviewed periodically.

Relations with shareholders

The board attaches great importance to maintaining good relationships with shareholders. The board regards the annual general meeting as an opportunity to communicate directly with investors, who are encouraged to participate.

Report on remuneration

The remuneration committee comprises the non-executive directors with the chairman attending, as appropriate, to advise. The directors do not influence their own remuneration.

The committee periodically reviews the directors' remuneration packages to ensure that the company can attract, motivate and retain directors of the necessary calibre and to reward them appropriately.

K A Harrison and A R Harrison have contracts of employment which are determinable on two years' notice by the company.

Details of directors' remuneration and share options are given in note 6 to the financial statements.

Executive director packages comprise a basic salary, bonus scheme, share options and other benefits. The committee has regard to rates of pay for similar positions in comparable companies as well as internal factors such as performance.

The remuneration of non-executive directors is determined by the board.

Nominations committee

The group has not appointed a nominations committee despite the recommendation in the UK Corporate Governance Code. The board has concluded that given the size of the group this function can be effectively carried out by the whole board.

Going concern

The directors report that after making enquiries they have a reasonable expectation that the company and the group have adequate resources to continue in operational existence. For this reason they continue to adopt the going concern basis in preparing the financial statements. More detail is given in the accounting policies disclosure.

Directors and Advisers

K A Harrison, TD
Chairman
(born July 1930)
Kenneth Harrison has been a director and Chairman of the company since 1993. He has an engineering background. In 1971 he started a new venture in the industrial door market which by 1986 had developed into a significant sized group with interests in industrial doors, metal foundries, architectural ironmongery and electrical operators and was admitted in July 1986 to the Official List under the name Harrison Industries plc. In 1993 he left Harrison Industries and joined Ensor Holdings PLC as Chairman and Chief Executive, resigning the position of Chief Executive on the appointment of A E Coyne in 2000.

A R Harrison
Chief Executive
(born February 1955)
Roger Harrison has extensive experience in the manufacture and supply of industrial door products. He joined the group as a director of what is now one of the subsidiary companies, OSA Door Parts Limited, at its inception in 2001. He was appointed as a non-executive director of the company on 2 February 2006 and as Chief Executive on 24 February 2009.

M A Chadwick, BSc, ACA
Finance Director
(born November 1962)
Marcus Chadwick qualified as a chartered accountant in 1989. He trained with Robson Rhodes Chartered Accountants between 1985 and 1989 when he joined Harrison Industries plc as Group Accountant. He subsequently became Divisional Finance Director and left in 1993 to join Ensor Holdings and was appointed Finance Director in 1995.

A E Coyne
Non-executive Director
(born March 1947)
Tony Coyne began his career with British Steel and then Amaze Ltd as an engineer, developing into sales and management. He worked in the USA for Universal Oil Products and moved back to the UK as a sales and engineering manager. After working as a project engineer and project manager with Capper Neil International he then joined Harrison Industries as General Manager. He was promoted to Divisional Director and then Main Board Director. He joined Ensor Holdings and was appointed Chief Executive on 11 February 2000, retiring from this position on 31 March 2007 to become a non-executive director. He is now Deputy Chairman.

C M Harrison
Non-executive Director
(born May 1932)
Christine Harrison has been involved for many years with the NHS and the Fire Service in government appointed roles, dealing with finance and large scale building projects. She is a significant shareholder in Ensor Holdings PLC and was appointed as a non-executive director of the company on 12 September 2008.

P J Harrison
Non-executive Director
(born December 1960)
Peter Harrison qualified as a barrister in 1983 and practises with St Johns Buildings Chambers. He is a significant shareholder in Ensor Holdings PLC and was appointed as a non-executive director of the company on 7 May 2014.

Advisers

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Registered number
13944

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Independent Auditor's Report

to the members of Ensor Holdings Plc

We have audited the financial statements of Ensor Holdings PLC for the year ended 31 March 2016 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Balance Sheet, the Company Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements 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 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's ("FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2016 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 the information given in the strategic report and the report of the directors 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 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.

Timothy Entwistle
(senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
Manchester
United Kingdom
22 July 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Income Statement

for the year ended 31 March 2016

	Note	2016 £'000	2015 Restated £'000
Continuing operations			
Revenue		**19,170**	21,452
Cost of sales		**(13,989)**	(16,034)
Gross profit		**5,181**	5,418
Administrative expenses		**(2,320)**	(3,475)
Operating profit before exceptional gains		**1,701**	1,943
Exceptional administrative gains:			
Gain on disposal of assets classified as held-for-sale	3	**785**	–
Gain on disposal of fixed assets	3	**207**	–
Gain on disposal of subsidiary company	3	**168**	–
Operating profit	4	**2,861**	1,943
Finance costs	7	**(42)**	(34)
Profit before tax		**2,819**	1,909
Income tax expense	8	**(383)**	(397)
Profit for the year on continuing operations		**2,436**	1,512
Discontinued operation	2	**792**	1,164
Profit for the year attributable to equity shareholders of the parent company		**3,228**	2,676
Earnings per share – basic and diluted	9		
On ordinary activities excluding exceptional gains and discontinued operations		**4.3p**	5.1p
On exceptional gains including taxation		**3.9p**	–
Continuing operations including taxation		**8.2p**	5.1p
Discontinued operation including taxation		**2.6p**	3.9p
Earnings per share		**10.8p**	9.0p

Consolidated Statement of Comprehensive Income

		2016 £'000	2015 £'000
Profit for the year		**3,228**	2,676
Items which will not be reclassified to profit or loss:			
Actuarial loss	17	**(3,462)**	(403)
Income tax relating to components of other comprehensive income	20	**579**	60
Total of other comprehensive income for the year		**(2,883)**	(343)
Total comprehensive income attributable to equity shareholders of the parent company		**345**	2,333

The results for the year ended 31 March 2015 have been restated for the discontinued operation (note 2).

The notes on pages 16 to 38 form part of these financial statements.

Consolidated Statement of Financial Position

at 31 March 2016

	Note	2016 £'000	2015 £'000
ASSETS			
Non-current assets			
Property, plant & equipment	11	**520**	4,170
Intangible assets	12	**1,074**	2,671
Deferred tax asset	20	**590**	428
Total non-current assets		**2,184**	7,269
Current assets			
Assets held for sale	13	**530**	2,185
Assets of disposal group held for sale	14	**7,252**	1,975
Inventories	15	**2,382**	3,063
Trade and other receivables	16	**4,359**	8,381
Cash and cash equivalents		**1,536**	564
Total current assets		**16,059**	16,168
Total assets		**18,243**	23,437
LIABILITIES			
Non-current liabilities			
Retirement benefit obligations	17	**–**	(2,139)
Borrowings	18	**(1,065)**	(246)
Other creditors	19	**–**	(22)
Deferred tax	20	**–**	(182)
Total non-current liabilities		**(1,065)**	(2,589)
Current liabilities			
Borrowings	18	**(795)**	(1,863)
Liabilities of disposal group held for sale	14	**(2,803)**	(946)
Current income tax liabilities		**(73)**	(561)
Trade and other payables	22	**(2,325)**	(6,028)
Total current liabilities		**(5,996)**	(9,398)
Total liabilities		**(7,061)**	(11,987)
NET ASSETS		**11,182**	11,450
EQUITY			
Share capital	25	**3,082**	3,082
Share premium		**552**	552
Revaluation reserve		**–**	140
Retained earnings		**7,548**	7,676
Total equity attributable to equity shareholders of the parent company		**11,182**	11,450

The financial statements were approved by the board and were authorised for issue on 22 July 2016. They were signed on its behalf by:

A R Harrison
M A Chadwick } Directors

The notes on pages 16 to 38 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 March 2016

Attributable to equity shareholders of the parent company

	Issued Capital £'000	Share Premium £'000	Revaluation Reserve £'000	Retained Earnings £'000	Total Equity £'000
Balance as at 1 April 2014	3,082	552	140	5,822	9,596
Profit for the year	–	–	–	2,676	2,676
Other comprehensive income:					
Actuarial loss	–	–	–	(403)	(403)
Related deferred tax	–	–	–	60	60
Total comprehensive income for the year	–	–	–	2,333	2,333
Dividends paid	–	–	–	(479)	(479)
Total transactions recognised directly in equity	–	–	–	(479)	(479)
Balance at 31 March 2015	3,082	552	140	7,676	11,450
Balance as at 1 April 2015	3,082	552	140	7,676	11,450
Profit for the year	–	–	–	3,228	3,228
Other comprehensive income:					
Actuarial loss	–	–	–	(3,462)	(3,462)
Related deferred tax	–	–	–	579	579
Total comprehensive income for the year	–	–	–	345	345
Dividends paid	–	–	–	(613)	(613)
Transfer of surplus to retained earnings on disposal of properties	–	–	(140)	140	–
Total transactions recognised directly in equity	–	–	(140)	(473)	(613)
Balance at 31 March 2016	**3,082**	**552**	**–**	**7,548**	**11,182**

Share premium
The share premium account represents the consideration that has been received in excess of the nominal value of shares on issue of new ordinary share capital, less permitted expenses.

Revaluation reserve
The revaluation reserve represents the unrealised surplus arising on the revaluation of certain of the group's freehold properties.

Retained earnings
The retained earnings reserve represents profits and losses retained in the current and previous periods.

The notes on pages 16 to 38 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 March 2016

	Note	2016 £'000	2015 £'000
Net cash generated from ordinary operations	26	**2,498**	184
Payment in excess of liability to clear pension fund deficit	17	**(5,601)**	–
Net cash generated from/(used in) operations		**(3,103)**	184
Cash flows from investing activities			
Net proceeds from sale of property, plant and equipment		**926**	739
Net proceeds from sale of assets held for sale		**2,968**	–
Net proceeds from sale of subsidiary		**1,275**	–
Purchase of property, plant and equipment		**(674)**	(746)
Net cash generated from/(used in) investing activities		**4,495**	(7)
Cash flows from financing activities			
Equity dividends paid		**(613)**	(479)
New finance leases		**241**	–
Amounts repaid in respect of finance leases		**(44)**	(20)
Deferred consideration paid		**–**	(1,000)
New bank loans		**2,000**	–
Loan repayments		**(472)**	(278)
Net cash generated from/(used in) financing activities		**1,112**	(1,777)
Net increase/(decrease) in cash and cash equivalents		**2,504**	(1,600)
Opening cash and cash equivalents		**(1,015)**	585
Closing cash and cash equivalents	27	**1,489**	(1,015)

The notes on pages 16 to 38 form part of these financial statements.

Accounting Policies

for the year ended 31 March 2016

General information

Ensor Holdings PLC is a company incorporated in England and Wales under the Companies Act, registered number 13944. The principal activities of the main trading companies are set out in note 1 to the accounts.

Basis of preparation

The consolidated financial statements of Ensor Holdings PLC have been prepared in accordance with the Companies Act 2006 and International Financial Reporting Standards (IFRS) as adopted by the European Union in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. The group financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and derivative financial instruments at fair value through profit or loss. The principal accounting policies adopted by the group are set out below.

Going concern

At the date of the approval of the financial statements, the directors have satisfied themselves that the group will continue in business for the foreseeable future. In order to do this, the directors have considered the group's budgets for the year ended 31 March 2016 and certain extrapolations beyond this date, taking account of the current market conditions. These forecasts demonstrate that the group shall continue to operate within its banking facility. On this basis, the going concern basis of accounting continues to be applied in the preparation of the consolidated financial statements.

Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present:

- power over the investee
- exposure to variable returns from the investee, and
- the ability of the investor to use its power to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Discontinued operations

An operation is classified as discontinued when it meets the criteria to be classified as held-for-sale and represents a major business line of the group.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, rebates and sales-related taxes. Sales of goods are recognised when the risks and rewards of ownership in the goods have passed, according to the contract for the sale of the goods, or current statutory provisions and the group retains neither continuing managerial involvement nor effective control of the goods. Sales of services are recognised by reference to the stage of completion of the specific contract and the profit element inherent in the contract. Rebates are recognised at their anticipated level as soon as any liability is expected to arise.

Revenue is generated primarily through the sale of goods. Revenue from the provision of services is not considered significant enough to warrant an analysis of revenue in accordance with IAS 18.

Rental income

Amounts due under operating leases granted over the company's properties are credited to the profit and loss account on a straight line basis over the lease term.

Foreign currencies

The financial statements are presented in pounds sterling, which is the parent company's functional currency. Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation, at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Finance costs

Finance costs comprise facility fees, interest payable, finance charges on finance leases and the cost of financing the pension scheme deficit.

Process technology and know-how

Process technology and know-how assets arise from the acquisition of businesses and represent the directors' evaluation of that portion of the fair value of the acquisition cost which can be apportioned to the product development of the businesses purchased. The asset is to be amortised over 15 years.

Goodwill

Goodwill arises from the acquisition of businesses and represents the difference between the cost of acquisition and the fair value of the identifiable assets, liabilities and contingent liabilities acquired. Identifiable intangible assets are those which can be sold separately or which arise from legal rights.

Goodwill is capitalised and subject to an impairment review, both annually and when there are indications that the carrying value may not be recoverable.

Goodwill is allocated to cash generating units and is not amortised. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Impairment of non-financial assets

Assets which have an indefinite useful life are not subject to amortisation and are tested for impairment at each balance sheet date. Assets subject to depreciation and amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Impairment losses on previously revalued properties are recognised against the revaluation reserve as far as this reserve relates to previous revaluations of the same properties. Other impairment losses are recognised in the income statement based on the amount by which the carrying value exceeds the recoverable amount. The recoverable amount is the higher of the fair value less the costs to sell and value in use.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present values where the effect is material.

Property, plant and equipment

Freehold property, including land, used in operations and other freehold property, including land, are carried at valuation. Revaluations are normally undertaken by professionally qualified valuers and are performed with sufficient regularity such that carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period. In intervening years between professional valuations, a director's valuation is used.

Plant and equipment and vehicles held for use in the business are carried in the balance sheet at cost less any subsequent depreciation and impairment losses.

Depreciation is provided to write off the cost, less estimated residual values, of all property, plant and equipment over the estimated useful life of the assets. It is calculated on a straight-line basis at the following rates:

Freehold buildings	2% per annum on valuation
Plant and equipment	between 10% and 33% per annum
Vehicles	between 12.5% and 33% per annum

Land is not depreciated.

Assets held for sale

Non-current assets are reclassified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered to be highly probable. Land, buildings, plant and equipment held for sale are carried in the balance sheet at the lower of their carrying value immediately before reclassification as held-for-sale, and fair value less costs to sell. Gains and losses arising on the re-measurement of assets held for sale are charged to the income statement.

Accounting Policies

continued

Disposal groups held for sale

Disposal groups are classified as assets and liabilities held for sale when their carrying amounts are to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first in, first out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Net realisable value represents the estimated selling price less all estimated costs of completion and selling costs to be incurred.

Financial instruments

Financial instruments are measured initially at cost, which is the fair value of whatever was paid or received to acquire or incur them.

After initial recognition, financial assets and liabilities are classified into the following categories: fair value through profit or loss; loans and receivables. A description of these measurement bases is as follows:

Fair value through profit or loss
Instruments which are held for trading are accounted for at fair value through profit or loss. Instruments are treated as held for trade if they are:

(i) acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

(ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking; or

(iii) a derivative not designated and effective as a hedging instrument.

Such instruments consist solely of foreign currency forward contracts.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments and which are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are sold or impaired.

Financial liabilities

Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Subsequently they are measured at amortised cost, using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

Financial instruments are recognised when the group becomes a party to the contractual provisions of the instrument. The principal financial assets and liabilities of the group are as follows:

Trade receivables

Trade receivables are initially recognised at fair value and then are stated at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, including bank deposits with original maturities of three months or less. Bank overdrafts are also included as they are an integral part of the group's cash management.

Trade payables

Trade payables are initially recognised at fair value and are then stated at amortised cost using the effective interest method.

Interest bearing loans and borrowings

Interest bearing bank loans and overdrafts and other loans are recognised initially at fair value. All borrowings are subsequently stated at amortised cost, using the effective interest method, with the difference between initial net proceeds and redemption values recognised in the income statement over the period to redemption.

Derivative financial instruments

The group uses financial instruments to manage financial risks associated with the group's underlying business activities and the financing of those activities.

Derivatives are initially recognised at fair value on the contract date and are subsequently re-measured in future periods at fair value.

Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the group. All other leases are classified as operating leases. Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Lease payments in respect of assets held under operating leases are charged directly to the income statement on a straight line basis. Payments made to acquire operating leases are treated as prepayments and charged to income during the period of the lease.

Taxation

Income tax expense represents the sum of current tax and deferred tax.

Current tax is based upon the profit for the year. The group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. The group's liability for deferred tax is calculated using tax rates that have been substantively enacted by the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities may be set off against each other provided there is a legal right to do so and it is the directors' intention to do so.

Pensions

The group operates a number of defined contribution schemes for which the amount charged to income in respect of pension costs and other post-retirement benefits is the amount of the contributions payable in the year. Differences between contributions payable and paid are accrued or prepaid.

The defined benefit scheme previously operated by the group closed on 31 March 2006. Funds were remitted to the scheme in December 2015 in order to allow the purchase of an insurance policy to meet the obligation. The surplus arising in the scheme as a result of this remittance has been written off to retained earnings outside the income statement in the year. The interest cost and the expected return on assets are shown as a net amount within other finance costs or credits, except to the extent that credits are matched by the write off to retained earnings. Actuarial gains and losses are recognised in full as they arise, outside the income statement, as a credit or charge to retained earnings.

Use of estimates and judgements

The preparation of financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and revenue and expenses during the period. Management evaluates its estimates on an ongoing basis using historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The group's most sensitive estimates are discussed below:

Accounting Policies

continued

Reporting segments (note 1)

The directors are required to assess whether the operating segments of the group are sufficiently similar in activities to allow them to be aggregated into reporting segments, or whether they should be reported separately.

Discontinued operations (note 2)

Judgement is exercised in assessing whether the disposal of an operation should warrant treatment as a discontinued operation. Directors must consider whether the operation represents a major business line or geographical area. Additionally, if the disposal has not taken place by the year end, judgement is required to assess whether the sale is highly probable.

Land and buildings (note 11)

The group's land and buildings are valued periodically by an independent valuer. During the periods between valuations, the directors use judgement to consider whether these assets are stated at fair value in the accounting records.

Goodwill (note 12)

The group tests annually whether goodwill has suffered any impairment, in accordance with its accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations, which require the use of estimates of future cash-flows and the group's cost of capital. These assumptions are detailed in note 12.

Defined benefit pension scheme (note 17)

Judgement is exercised in arriving at the actuarial assumptions used in determining the defined benefit scheme liabilities. The assumptions are detailed in note 17 and are arrived at using a combination of guidance from the actuaries and data available in industry-specific publications.

Segmental analysis

Operating segments are aggregated into reporting segments where operations supply similar products and markets. They are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of Directors and Chief Executive Officer, which makes strategic decisions for the group.

New standards, amendments and interpretations adopted in the year

The following standards, amendments and interpretations that are applicable for accounting periods beginning on 1 April 2015, and which are relevant to the group operations, have been adopted during the year.

	Effective dates (periods beginning on or after)
IAS 19 (Amendments) – Defined Benefit Plans: Employee Contributions	1 July 2014
Annual improvements 2010-12 Cycle	1 July 2014
Annual improvements 2011-13 Cycle	1 July 2014

The adoption of these standards has not had a material effect on the financial statements.

New standards, amendments and interpretations not yet adopted

The following standards, amendments and interpretations are in issue, but are mandatory only for our accounting periods beginning on or after 1 April 2016. None of these will have a material impact on the financial statements. The group has not adopted them early.

	Effective dates (periods beginning on or after)
IFRS 1 (Amendments) – Presentation of Financial Statements	1 January 2016
IFRS 11 (Amendments) – Joint Arrangements	1 January 2016
IAS 16 and IAS 38 (Amendments) – Property, Plant and Equipment and Intangible Assets	1 January 2016
IFRS 15 – Revenue from Contracts with Customers	1 January 2018
IFRS 9 (Revised) – Financial Instruments	1 January 2018
IFRS 16 – Leases	1 January 2019
IFRS 9 (Amendments) – Classification of Financial Assets	tba

Notes to the Financial Statements

for the year ended 31 March 2016

1. Segmental analysis

The principal subsidiaries of the group, together with brief descriptions of their activities, are as follows:

- Ellard Limited – design, manufacture and distribution of electric drives for industrial, commercial and domestic doors and gates.
- Ensor Building Products Limited (sold October 2015) – marketing and distribution of roofing, drainage and specialist building products.
- OSA Door Parts Limited – manufacture and distribution of industrial doors and door components for the trade.
- Technocover Limited – manufacture and installation of high-security steel access products for the utilities market.
- Wood's Packaging Limited – marketing and distribution of packaging materials and furniture protectors.

For management purposes, the group's business activities are organised into business units based on their products and services and have three primary operating segments as follows:

- Building and Security Products – manufacture, marketing, supply and distribution of building materials, security access products and access control equipment;
- Packaging – marketing and distribution of packaging materials;
- Other – waste recycling. The waste recycling operation was disposed of on 1 April 2015.

These segments are the basis on which information is reported to the group board. The segment result is the measure used for the purposes of resource allocation and assessment and represents the operating profit of each segment before exceptional operating costs, amortisation and impairment charges, other gains and losses, net finance costs and taxation.

Details of the types of products and services from which each segment derives its revenues are given above.

The accounting policies applied in preparing the management information for each of the reportable segments are the same as the group's accounting policies.

The group's revenues and results by reportable segment for the year ended 31 March 2016 are shown in the following table.

	Building & Security Products £'000	Packaging £'000	Other £'000	Unallocated £'000	Total continuing £'000	Total discontinued £'000	Total £'000
External revenue	15,578	3,592	–	–	19,170	14,711	33,881
Depreciation	129	23	–	49	201	461	662
Operating profit	1,187	514	–	1,160	2,861	993	3,854
Finance costs					(42)	–	(42)
Income tax expense					(383)	(201)	(584)
Profit for the year					2,436	792	3,228
Total assets	8,735	2,143	–	113	10,991	7,252	18,243
Total liabilities	(1,782)	(687)	–	(1,789)	(4,258)	(2,803)	(7,061)
Capital expenditure	94	60	–	–	154	520	674

The group's revenues and results by reportable segment for the year ended 31 March 2015 are shown in the following table.

	Building & Security Products £'000	Packaging £'000	Other £'000	Unallocated £'000	Total continuing £'000	Total discontinued £'000	Total £'000
External revenue	17,951	3,336	165	–	21,452	14,684	36,136
Depreciation	241	28	14	–	283	316	599
Operating profit	1,360	530	53	–	1,943	1,421	3,364
Finance costs					(34)	–	(34)
Income tax expense					(397)	(257)	(654)
Profit for the year					1,512	1,164	2,676
Total assets	12,161	2,249	55	1,757	16,222	7,215	23,437
Total liabilities	(3,026)	(672)	(5)	(4,208)	(7,911)	(4,076)	(11,987)
Capital expenditure	135	18	1	108	262	484	746

Notes to the Financial Statements

continued

Head office costs are apportioned to the segments on the basis of earnings. Inter-segment sales are charged at prevailing market prices.

The group operates almost exclusively in one geographical segment, being the United Kingdom. Turnover to customers located outside the United Kingdom accounted for less than 10% of total group turnover and has therefore not been separately disclosed.

Revenue from a single customer did not exceed more than 10% of turnover during the current or prior reporting periods.

2. Discontinued operation

The profits of Technocover Limited have been classified as a discontinued operation and the company's assets and liabilities are classified in the balance sheet as being held for sale. Negotiations commenced in March 2016 for the sale of the whole of the share capital of Technocover and the sale was completed on 13 July 2016 for a total consideration of £10,000,000 on a debt and cash free basis. The prior year income statement has been restated to reflect the discontinued operation.

The results of the discontinued operation were as follows:

	2016 £'000	2015 £'000
Revenue	**14,711**	14,684
Expenses	**(13,718)**	(13,263)
Operating profit	**993**	1,421
Income tax expense	**(201)**	(257)
	792	1,164

The sale of OSA Door Parts Limited was completed on 11 July 2016 for a consideration of £2,500,000 together with net cash of £520,000 retained by Ensor. The profits were not classified as discontinued as the disposal of the entity did not meet the conditions for classification as held for sale at the year end.

The sale of Ensor Building Products Limited on 1 October 2015 has not been treated as a discontinued operation as it did not represent a separate major line of business or geographical area of operations.

The cash flows of the discontinued operation were as follows:

	2016 £'000	2015 £'000
Operating	**1,576**	1,317
Investing	**(515)**	(483)
Financing	**(89)**	(298)
Total cash flow	**972**	536

3. Exceptional administrative items

The gain on disposal of assets held for sale arose on the disposal of the group's freehold land and buildings at Woodville, Derbyshire and at Stockport, Cheshire, in April and June 2015 respectively. Both had been previously used in operations of the group which have been sold and were classified as assets held for sale at 31 March 2015.

The exceptional gain on disposal of fixed assets arose from the sale of the group's property at Blackburn, Lancashire, which had previously been used in the group's operation, Ensor Building Products Limited, the disposal of which took place in December 2015.

The exceptional gain on disposal of a subsidiary company arose from the sale of Ensor Building Products Limited to its management in October 2015. The operation has not been classified as discontinued because it did not represent a major line of business.

4. Operating profit

Operating profit is stated after charging:

	Con-tinuing £'000	Dis-continued £'000	2016 Total £'000	Con-tinuing £'000	Dis-continued £'000	2015 Total £'000
Rent receivable	**(34)**	**(7)**	**(41)**	(261)	–	(261)
Depreciation of property, plant & equipment	**201**	**461**	**662**	283	316	599
Amortisation of intangible asset	**–**	**33**	**33**	–	33	33
Loss/(profit) on disposal of property, plant & equipment	**19**	**(3)**	**16**	(129)	(2)	(131)
Exceptional gain on disposal of assets classified as held for sale	**(785)**	**–**	**(785)**	–	–	–
Exceptional gain on disposal of fixed assets	**(207)**	**–**	**(207)**	–	–	–
Exceptional gain on disposal of subsidiary company	**(168)**	**–**	**(168)**	–	–	–
Foreign exchange (gains)/losses	**(2)**	**9**	**7**	36	13	49
Adjustment of derivatives to fair value	**–**	**–**	**–**	17	–	17
Operating lease charges – plant, machinery & vehicles	**4**	**30**	**34**	–	31	31
– land & buildings	**284**	**–**	**284**	250	–	250
Fees payable to the company's auditors for the audit of the company's annual accounts	**11**	**–**	**11**	11	–	11
Fees payable to the company's auditors for other services:						
– the audit of the company's subsidiaries, pursuant to legislation	**25**	**13**	**38**	26	13	39
– tax services	**10**	**3**	**13**	11	3	14

5. Employees

	Continuing No	Discontinued No	2016 Total No	Continuing No	Discontinued No	2015 Total No
Production	**24**	**91**	**115**	25	99	124
Distribution and operations	**25**	**42**	**67**	21	44	65
Sales and administration	**40**	**24**	**64**	38	29	67
	89	**157**	**246**	84	172	256

Costs in respect of these employees were as follows:

	Continuing £'000	Discontinued £'000	2016 Total £'000	Continuing £'000	Discontinued £'000	2015 Total £'000
Wages and salaries	**2,574**	**4,691**	**7,265**	2,948	4,817	7,765
Social security costs	**262**	**367**	**629**	300	418	718
Pension costs	**148**	**71**	**219**	134	74	208
	2,984	**5,129**	**8,113**	3,382	5,309	8,691

The key management personnel are considered to be the company directors, the remuneration of whom is detailed in note 6 below.

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6. Directors' remuneration

Continuing operations

2016	Salary, fees and bonuses £'000	Benefits in kind £'000	Pension contributions £'000	**Total £'000**
Executive				
K A Harrison	62	6	–	**68**
A R Harrison	194	27	29	**250**
M A Chadwick	162	20	40	**222**
Non-executive				
A E Coyne	37	3	–	**40**
C M Harrison	34	–	–	**34**
P J Harrison	2	–	–	**2**
	491	56	69	**616**

2015	Salary, fees and bonuses £'000	Benefits in kind £'000	Pension contributions £'000	**Total £'000**
Executive				
K A Harrison	60	6	–	66
A R Harrison	150	23	28	201
M A Chadwick	132	18	39	189
Non-executive				
A E Coyne	41	3	–	44
C M Harrison	33	–	–	33
	416	50	67	533

Aggregate directors' remuneration including social security costs and pension contributions was as follows:

	2016 £'000	2015 £'000
Aggregate directors' remuneration	**671**	605

The number of directors who accrued benefits under company pension schemes was as follows:

	2016 No.	2015 No.
Money purchase schemes	**2**	2

7. Finance costs

All continuing operations	**2016 Total £'000**	2015 Total £'000
Bank overdraft and loans repayable within five years	**36**	94
Net return on pension scheme assets and liabilities (note 17)	**–**	89
Unwinding of discounts on deferred consideration	**–**	49
Interest repaid in respect of mis-selling claim	**–**	(198)
Other interest	**6**	–
	42	34

8. Taxation

	Continuing £'000	Discontinued £'000	2016 Total £'000	Continuing £'000	Discontinued £'000	2015 Total £'000
Recognised in the income statement:						
Current income tax						
UK corporation tax on profits of the period	**44**	**193**	**237**	386	250	636
Adjustments to prior years	**(4)**	**(6)**	**(10)**	(42)	(49)	(91)
	40	**187**	**227**	344	201	545
Deferred income tax						
Origination and reversal of temporary differences	**382**	**(5)**	**377**	16	4	20
Capital allowances in excess of/(lower than) depreciation	**(40)**	**17**	**(23)**	3	38	41
Adjustments to prior years	**1**	**2**	**3**	34	14	48
	343	**14**	**357**	53	56	109
Income tax expense	**383**	**201**	**584**	397	257	654
Reconciliation of effective tax rate						
Profit before tax	**2,819**	**993**	**3,812**	1,909	1,421	3,330
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 20% (2015: 21%)	**564**	**199**	**763**	401	298	699
Effects of:						
Capital gains eliminated by brought forward capital losses and indexation allowances	**(82)**	**–**	**(82)**	–	–	–
Substantial shareholding exemption for sale of subsidiary	**(78)**	**–**	**(78)**	–	–	–
Expenses not deductible for tax purposes	**15**	**6**	**21**	4	–	4
Enhanced deduction for certain expenditure	**–**	**–**	**–**	–	(6)	(6)
Prior year adjustments	**(3)**	**(4)**	**(7)**	(8)	(35)	(43)
Relief against prior year losses	**(33)**	**–**	**(33)**			–
	383	**201**	**584**	397	257	654

At 31 March 2016, the group had capital losses available to carry forward of £nil (2015: £1,507,000).

9. Earnings per share

The calculation of earnings per share for the period is based on the profit for the period divided by the weighted average number of ordinary shares in issue, being 29,895,976 (2015: 29,895,976), which excludes treasury shares. There are no dilutive instruments in place.

10. Dividends paid

	2016 £'000	2015 £'000
Final ordinary dividend of 1.30p per share (2015: 1.0p)	**389**	299
Interim ordinary dividend of 0.75p per share (2015: 0.6p)	**224**	180
Dividends on equity shares	**613**	479

The directors propose a final dividend for the year ended 31 March 2016 of 1.55p per share (2015: 1.3p).

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11. Property, plant and equipment

	Freehold land and buildings used in operations £'000	Other freehold land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation at 1 April 2014	4,599	542	2,108	741	7,990
Additions	7	–	383	356	746
Disposals	(600)	–	(17)	(166)	(783)
Assets of disposal group held for sale	–	–	(295)	(88)	(383)
Transfer to assets held for sale	(1,722)	–	–	–	(1,722)
Cost or valuation at 1 April 2015	2,284	542	2,179	843	5,848
Additions	35	–	579	60	674
Disposals	(700)	–	(192)	(78)	(970)
Assets of disposal group held for sale	(1,619)	–	(1,513)	(524)	(3,656)
Transfer to assets held for sale	–	(542)	–	–	(542)
Cost or valuation at 31 March 2016	**–**	**–**	**1,053**	**301**	**1,354**
Depreciation at 1 April 2014	146	8	1,110	313	1,577
Charge for the year	73	4	281	241	599
Disposals	(26)	–	(16)	(133)	(175)
Assets of disposal group held for sale	–	–	(224)	(66)	(290)
Transfer to assets held for sale	(33)	–	–	–	(33)
Depreciation at 1 April 2015	160	12	1,151	355	1,678
Charge for the year	62	–	450	150	662
Disposals	(27)	–	(151)	(57)	(235)
Assets of disposal group held for sale	(195)	–	(825)	(239)	(1,259)
Transfer to assets held for sale	–	(12)	–	–	(12)
Depreciation at 31 March 2016	**–**	**–**	**625**	**209**	**834**
Net book value at 31 March 2016	**–**	**–**	**428**	**92**	**520**
Net book value at 31 March 2015	2,124	530	1,028	488	4,170
Net book value at 31 March 2014	4,453	534	998	428	6,413

The gross amount of freehold buildings on which depreciation is being provided is £nil (2015: £1,476,000). The accumulated revaluation surplus on the group's properties is £nil (2015: £140,000).

The group's property at Normanton, West Yorkshire, which was disposed of on 30 September 2014, was revalued at 31 March 2011 on the basis of its Market Value as defined by The Royal Institution of Chartered Surveyors, by A R Argyle, Chartered Surveyors, as an Independent Valuer in accordance with the Appraisal and Valuation Standards of The Royal Institution of Chartered Surveyors, resulting in the carrying value of this particular property being reduced by £26,000 to a carrying value of £600,000. The reduction was charged to the revaluation reserve.

The properties at Woodville, Blackburn, Normanton and Brackley were revalued in January 2014 on the basis of Market Value as defined by The Royal Institution of Chartered Surveyors, by Roger Hannah and Co, Chartered Surveyors, as an Independent Valuer in accordance with the Appraisal and Valuation Standards of The Royal Institution of Chartered Surveyors. The valuations were not significantly different from the carrying values of the properties in the accounts and so no adjustment has been made for the revaluation. The property at Stockport was not revalued as the directors believed that the value in use is not significantly different from the carrying value. The Woodville and Stockport properties were classified as assets held for sale as at 31 March 2015 and have been sold during the year (see note 13). The property at Blackburn was disposed of in the year (see note 3).

The group's property at Brackley, Northamptonshire, is being actively marketed and residential planning permission is being sought which will make the property more marketable. It is expected that planning permission will be achieved and, following this, the property will be marketed to residential building contractors. It was valued at £550,000 at 31 March 2012 by Kirkby and Diamond property consultants on a basis consistent with the relevant RICS Practice Standard. The directors are satisfied that the fair value at the year end is not significantly different to the carrying value and the carrying value has not been adjusted. The property has been classified as held for sale at the year end (see note 13).

The property at Welshpool was revalued in January 2012 on the basis of its Market Value as defined by The Royal Institution of Chartered Surveyors. The valuations were carried out by Salloway Property Consultants as an Independent Valuer in accordance with the Appraisal and Valuation Standards of The Royal Institution of Chartered Surveyors. The property was brought into the group at its fair value and has been depreciated subsequently. The property is classified as an asset of a disposal group held for sale (see note 14).

In the opinion of the directors, the fair values of the properties are not materially different from their carrying values.

The fair value of all the land and buildings are analysed as level 3 valuation method whereby the inputs for the asset valuation are not based on observable market data (that is, unobservable inputs).

Valuation technique	**Unobservable inputs**	**Relationship**
Fair value is determined by applying the income approach based on estimated rental value of the relevant property and by comparison to similar property sales prices achieved. Discount rates and expected rental growth rates are estimated by management based on comparable transactions and industry data	Discount rate Rental growth rate Terminal yield	The higher the discount rate, and terminal yield the lower the fair value The higher the rental growth rate the higher the fair value.

Plant and machinery having a net book value of £nil (2015: £47,000) was subject to finance leases. The depreciation charge on these assets for the year was £27,000 (2015: £11,000).

12. Intangible assets

	Process Technology and Know-how	Goodwill	Total
Operating segment	Building and Security Products £'000	Analysed below £'000	£'000
Carrying value at 31 March 2014 and 2015	500	2,271	2,771
Transfer to assets of disposal group held for sale	(500)	(1,197)	(1,697)
Carrying value at 31 March 2016	**–**	**1,074**	**1,074**
Amortisation at 31 March 2014	67	–	67
Charge for the year	33	–	33
Amortisation at 31 March 2015	100	–	100
Charge for the year	33	–	33
Transfer to assets of disposal group held for sale	(133)	–	(133)
Amortisation at 31 March 2016	**–**	**–**	**–**
Carrying value at 31 March 2016	**–**	**1,074**	**1,074**
Carrying value at 31 March 2015	400	2,271	2,671
Carrying value at 31 March 2014	433	2,271	2,704

The asset described as Process Technology and Know-how arose as part of the acquisition of Technocover Limited in January 2012 and is being amortised over fifteen years.

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Goodwill

The following cash generating units contain goodwill:

Name of subsidiary	Ellard	Technocover	Wood's Packaging	Total
Operating segment	Building and Security Products £'000	Building and Security Products £'000	Packaging £'000	£'000
Cost at 31 March 2014 and 2015	317	1,197	757	2,271
Transfer to assets of disposal group held for sale	–	(1,197)	–	(1,197)
Cost at 31 March 2016	317	–	757	1,074

The recoverable amounts of the cash-generating units (CGUs) are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. Management have utilised a discount rate of 12.4% (2015: 10.2%).

The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. Growth rates of between -1% and 3% per annum have been assumed by management (2015: between 1% and 3%). The group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows in perpetuity based on these estimated growth rates. These rates do not exceed the average long-term growth rate for the relevant markets.

The fair value of each of the group's cash generating units significantly exceeds the respective carrying value of the goodwill.

13. Assets held for sale

	2016 £'000	2015 £'000
Land & buildings		
At 1 April 2015	**2,185**	496
Disposals	**(2,185)**	–
Transfer from freehold land and buildings	**530**	1,689
At 31 March 2016	**530**	2,185

The asset held for sale at 31 March 2016 is the property at Brackley, Northamptonshire. Residential planning permission in respect of the property has now been obtained and the property is being marketed.

The assets held for sale at 31 March 2015 comprised the properties at Stockport and at Woodville, both of which were sold during the year.

14. Assets and liabilities of disposal group held for sale

	2016 £'000	2015 £'000
Property, plant and equipment	**2,397**	93
Intangible fixed assets	**1,564**	–
Inventories	**312**	790
Trade and other receivables	**2,979**	1,062
Corporation tax recoverable	**–**	30
Assets of disposal group held for sale	**7,252**	1,975
Trade and other payables	**2,052**	907
Hire purchase	**232**	35
Bank loan	**245**	–
Provision for deferred tax	**122**	4
Corporation tax	**152**	–
Liabilities of disposal group held for sale	**2,803**	946

The disposal group held for sale at 31 March 2016 represented the balance sheet of Technocover Limited. The assets and liabilities of the disposal group held for sale at 31 March 2015 represented the balance sheet of Ensor Building Products Limited. Further details are provided in note 2 to the accounts.

15. Inventories

	2016 £'000	2015 £'000
Inbound goods-in-transit	**221**	56
Raw materials and consumables	**365**	706
Work in progress and finished goods	**42**	530
Goods purchased for resale	**1,754**	1,771
	2,382	3,063

The carrying amount of inventories includes a write down provision of £63,000 (2015: £152,000).

Cost of inventories recognised as an expense		
Cost of inventories recognised as an expense	**17,016**	18,690
Including:		
Write-down of inventories to net realisable value	**–**	2

16. Trade and other receivables

	2016 £'000	2015 £'000
Trade receivables	**4,024**	8,193
Less: provision for impairment of trade receivables	**(110)**	(236)
Net trade receivables	**3,914**	7,957
Other debtors	**111**	28
Prepayments and accrued income	**334**	396
	4,359	8,381

Further analyses of the impairment provision and of the credit risks associated with trade receivables are included in note 23. The carrying amount of trade receivables approximates to their fair value.

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17. Pensions

The group operates both defined benefit and defined contribution schemes. The defined benefit scheme was closed to new members with effect from 1 April 2002 and ceased accrual of benefits with effect from 31 March 2006. In December 2015 the scheme purchased an insurance policy to cover its liabilities, with the intention that the scheme will be terminated in due course and its obligations transferred to the insurer. Additional contributions were made by the group to fund the purchase of the policy. The valuation of the obligation for the purchase of the policy was calculated on a different basis from the valuation method required by accounting standards on an ongoing basis. Therefore the transaction has resulted in the recognition of an actuarial loss in the Consolidated Statement of Comprehensive Income, which is detailed below.

Employer contributions of £5,822,000 (2015: £825,000) were made during the year, £221,000 of which were in respect of the defined contribution schemes (2015: £208,000) and £5,601,000 in respect of funding the defined benefit scheme deficit (2015: £617,000), of which £5,385,000 was an additional contribution to enable the purchase of the insurance policy.

Following the purchase of the insurance policy, other than a modest final adjustment to the premium the fund is not expected to require any further contributions.

The defined benefit scheme operated by the group was last valued by the actuary at 31 March 2014 using the attained age method and the assumptions described below. As a result of that valuation the Scheme Actuary recommended contributions to the scheme from April 2014 to March 2021 starting at £300,000 per annum and rising to £348,000 per annum in the year ended 31 March 2020, reducing to £299,000 in the final year of the projection.

The actuarial valuation showed that the market value of the scheme's assets, which are held in trusts separate from the assets of the group, was £3,179,000 at the date of valuation and that the actuarial value of these assets represented 56% of the benefits that had accrued to members. The assets were invested in listed and other investments, invested and managed independently of the finances of the group.

The defined benefit scheme exposes the company to actuarial risk. The present value of the defined benefit liability is calculated using a discount rate determined by reference to high quality corporate bond yields, if the return on plan assets is below this rate it will create a plan deficit. The risk relating to the benefits to be paid to the scheme members is mitigated through the insurance policy held by the scheme.

Assumptions incorporated into the valuation are as follows:

Discount rate pre-retirement (20 Year gilt yield plus 2.5%)	5.9%
Discount rate post-retirement (15 Year gilt yield plus 1.0%)	4.2%
CPI inflation (Bank of England 25 Year RPI spot rate less 0.7%)	2.6%
Pension increases in deferment	2.4%
Pension increases in payment	Post 97: 2.4%, Post 88 GMPs: 2.0%, otherwise Nil
Mortality pre-retirement	A00
Mortality post-retirement	S1PA (year of birth) with CMI2013 improvements trending to a long-term rate of improvement of 1% p.a.

The group reports its pension costs in accordance with IAS 19 (Revised), "Employee Benefits". Information in the following paragraphs has been provided by the Scheme Actuary.

Total expense recognised in the Consolidated Income Statement:

	2016 £'000	2015 £'000
Net interest on net defined benefit liability	–	89

Actuarial loss recognised in the Consolidated Statement of Comprehensive Income:

	2016	2015
Actuarial gains/(losses) on the assets	**(104)**	285
Experience adjustment	**(459)**	103
Changes in financial assumptions	**100**	(698)
Changes in demographic assumptions	**(14)**	(93)
Equalisation of the fair value of the scheme assets	**(2,985)**	–
Actuarial loss recognised in the Consolidated Statement of Comprehensive Income	**(3,462)**	(403)

Reconciliation of the present value of the defined benefit obligations:

	2016 £'000	2015 £'000
Opening defined benefit obligation	**5,872**	5,443
Interest cost	**185**	234
Actuarial (gains)/losses on obligation	**373**	729
Benefits paid	**(560)**	(534)
Closing defined benefit obligation	**5,870**	5,872

Reconciliation of the fair value of the scheme assets:

	2016 £'000	2015 £'000
Opening fair value of scheme assets	**3,733**	3,179
Expected return	**185**	145
Employer contributions	**5,601**	617
Actuarial gains/(losses) on scheme assets	**(104)**	326
Benefits paid	**(560)**	(534)
Closing fair value of scheme assets	**8,855**	3,733

The assets of the fund have been taken at fair value and the liabilities have been calculated using the following principal actuarial assumptions:

	2016	2015
Inflation	1.55%	1.60%
Rate of discount	3.40%	3.30%
Increases in pension in respect of post-April 1997 service	1.55%	1.60%
Revaluation rate for deferred pensioners	1.55%	1.60%
Duration of the defined benefit obligation:		
Deferred pensioners	22 years	21 years
Pensioners in payment	9 years	8 years
Average	14 years	13 years

The mortality rates given by the above assumptions are:

	Age 65 now	Age 65 in 25 years
Male	21.6	22.3
Female	23.6	24.5

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The assets of the fund were as follows:

	2016 £'000	2015 £'000
Equities and property	**–**	2,917
Bonds	**–**	562
Cash	**702**	254
Insurance contract	**8,153**	–
Total market value of scheme assets	**8,855**	3,733
Present value of the deferred benefit obligation	**(5,870)**	(5,872)
Surplus/(deficit) in the scheme	**2,985**	(2,139)
Write off of surplus to the Consolidated Statement of Comprehensive Income	**(2,985)**	–
Net liability at 31 March 2016	**–**	(2,139)
Actual return on plan assets	**81**	471

Sensitivity analysis

A sensitivity analysis has been performed to show the effect on the defined benefit obligation of changes in the assumptions. The effects of the changes would be as follows:

	Increase/(decrease) in obligation	
	%	£'000
Increase/decrease in discount rate of 0.25%	–3%/+3%	–
Increase/decrease in rate of pension increase of 0.25%	–1%/+1%	–
Increase/decrease in life expectancy by one year	+3%/-3%	–

18. Borrowings

	2016 £'000	2015 £'000
Current liabilities:		
Bank overdraft	**47**	1,579
Interest bearing loans	**748**	284
	795	1,863
Non-current liabilities:		
Interest bearing loans	**1,065**	246

The group has two separate banking facilities. Ensor Holdings PLC and its trading subsidiaries other than Technocover Limited have an aggregate overdraft facility of £1,000,000 (2015: £3,000,000), secured by multilateral, joint and several unlimited guarantees given by the company and these subsidiary undertakings. The guarantees are supported by fixed charges over certain freehold properties and book debts and by floating charges over other assets. Technocover has a separate overdraft facility of £500,000, secured by a fixed charge over the group's property at Welshpool and a floating charge over other assets.

The bank loan is payable in quarterly instalments with interest charged at 2.75% over LIBOR.

Other than these assets, and assets held under finance leases (see note 21), no items of property, plant and equipment have been pledged as security for borrowings.

19. Other creditors – non-current liabilities

	2016 £'000	2015 £'000
Amounts due in respect of finance leases (note 21)	**–**	22

20. Deferred taxation

	Accelerated tax depreciation £'000	Other temporary differences £'000	Total non-current deferred tax (liability) £'000	Non-current deferred tax asset on retirement tax benefit plan £'000
At 1 April 2014	(69)	(4)	(73)	475
Credited/(charged) to Consolidated Income Statement	(109)	–	(109)	(107)
Credited to Consolidated Statement of Comprehensive Income	–	–	–	60
At 1 April 2015	(178)	(4)	(182)	428
Credited/(charged) to Consolidated Income Statement	(30)	(327)	(357)	–
Credited/(charged) to Consolidated Statement of Comprehensive Income	–	1,007	1,007	(428)
Transfer to disposal group held for sale	125	(3)	122	–
At 31 March 2016	**(83)**	**673**	**590**	**–**

The deferred tax assets and liabilities are offset where the group has a legally enforceable right to do so.

21. Obligations under finance leases

	2016 £'000	2015 £'000
Amounts due within one year	**61**	13
Amounts due between one and five years	**171**	22
	232	35

Obligations under finance leases are included in the liabilities of the disposal group (note 14).

22. Trade and other payables

	2016 £'000	2015 £'000
Trade creditors	**1,592**	4,224
Other taxes and social security	**473**	720
Other creditors	**33**	134
Obligations under finance leases (note 21)	**–**	13
Accruals and deferred income	**227**	937
	2,325	6,028

The carrying amount of trade payables approximates to their fair value.

23. Financial instruments and risk profile

All financial instruments are categorised as loans and receivables with the exception of forward contracts, which are held at fair value through profit and loss. Full details of forward contracts held at the period-end are provided in the foreign currency risk management narrative below. The directors consider that there is no material difference between the carrying value of all financial assets and financial liabilities and their respective fair values.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments included in level 2 comprise derivatives used for hedging purposes. The group does not hold any instruments that are included at level 1 or level 3.

Details of significant accounting policies and methods of valuation adopted by the group in respect of each class of financial asset and financial liability are disclosed in the Statement of Accounting Policies on pages 16 to 20.

Notes to the Financial Statements

continued

The group manages financial risks relating to the companies within the group through a centralised treasury function, which monitors the risks through monthly meetings and reports and acts accordingly. The principal risks to which the group is exposed are credit risk, currency risk, interest rate risk and liquidity risk. The group seeks to minimise the effects of these risks by using derivative financial instruments to hedge the exposures where necessary. The group does not enter into derivative financial instruments for speculative purposes.

Market risk
The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates, which are dealt with under financial risks, below.

Credit risk
Credit risk is the risk that a counter-party will cause a financial loss to the group by failing to discharge its obligation to the group, and arises predominantly from trade receivables. The maximum exposure to credit risk for receivables and other financial assets is represented by their carrying amount, net of impairment provisions.

Credit risk is managed on a group basis by setting procedures for minimising risk. External credit checks are obtained for new customers; existing receivables are reviewed regularly by local management and at board level; strong relationships are maintained with key customers and procedures are in place to deal with amounts that become overdue.

The average credit period given on sale of goods for 2016 is 69 (2015: 61) days. The group reserves the right to charge interest on overdue debts at varying rates.

Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods, determined by local management and reviewed by group management based on prior experience and their assessment of the current economic environment.

The group has recognised a provision for bad and doubtful debts, which at the balance sheet date amounted to £110,000 (2015: £236,000). Management consider that these balances are impaired based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience and sales documentation.

The group does not hold any collateral as security. In determining the recoverability of a trade receivable the group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The directors believe that there is no further credit provision required in excess of the allowance for doubtful debts. The group does not have a significant concentration of credit risk, as its customer base is large and unrelated.

The movement on the provision account during the period is as follows:

	2016 £'000	2015 £'000
Balance at 1 April 2015	**236**	237
Impairment losses recognised	**33**	107
Unused amounts reversed	**(37)**	(84)
Amounts written off as uncollectable	**(6)**	(24)
Amount transferred to assets of disposal group held for sale	**(116)**	–
Balance at 31 March 2016	**110**	236

The ageing of trade receivables, net of impairment provisions, at the balance sheet date, was as follows:

	2016 £'000	2015 £'000
Not past due	**5,458**	6,629
1-30 days past due	**1,019**	971
31-60 days past due	**173**	177
61-90 days past due	**165**	123
91-120 days past due	**78**	57
Balance at 31 March 2016	**6,893**	7,957

A maturity analysis of financial assets is as follows:

			2016			2015
	Due within			Due within		
	1 year £'000	**1-5 years £'000**	**Total £'000**	1 year £'000	1-5 years £'000	Total £'000
Net trade receivables	**6,893**	**–**	**6,893**	7,957	–	7,957
Other debtors	**165**	**–**	**165**	28	–	28
	7,058	**–**	**7,058**	7,985	–	7,985

A maturity analysis of financial liabilities is as follows:

			2016			2015
	Due within			Due within		
	1 year £'000	**1-5 years £'000**	**Total £'000**	1 year £'000	1-5 years £'000	Total £'000
Bank overdraft	**47**	**–**	**47**	1,579	–	1,579
Borrowings	**2,058**	**–**	**2,058**	284	246	530
Finance lease liabilities	**–**	**–**	**–**	13	22	35
Trade accounts	**3,876**	**–**	**3,876**	4,224	–	4,224
Other payables	**260**	**–**	**260**	1,084	–	1,084
	6,241	**–**	**6,241**	7,184	268	7,452

Foreign currency risk management
The group acquires goods for sale from overseas which, when not denominated in Sterling, are paid for principally in US Dollars and Euros.

At 31 March 2016 the group had net foreign currency monetary liabilities of £454,000 (2015: £215,000 assets) denominated in US Dollars and net foreign currency assets of £98,000 (2015: £140,000) denominated in Euros.

The group has entered into forward foreign exchange contracts (all of which are less than twelve months in duration) to buy US dollars and Euros to hedge the exchange rate risk arising from these balances and anticipated future purchases. At the balance sheet date, the total notional value of contracts to which the group was committed was US$675,000 and €280,000 (2015: US$304,000 and €318,000). The average exchange rate of the US Dollar contracts is 1.43 (2015: 1.44), and of the Euro contracts is 1.29 (2015: 1.34).

The fair value movement of these derivatives is disclosed in note 4. These contracts have not been designated as hedges and accordingly the fair value of the movement has been reflected in the income statement.

Interest rate risk
The group finances its operations through a combination of retained profits and bank loans and overdrafts, on which the group has an exposure to interest rate risk, as the overdrafts are at an interest rate of 2.5% and 3% (2015: 2.5% and 3%) above base rate, and the loans are at rates of 2.75% above LIBOR and 3% above base rate (2015: 3% above base rate). At 31 March 2016 borrowings comprised overdrafts of £47,000 (2015: £1,579,000) and bank loans of £1,813,000 (2015: £530,000).

Liquidity risk
Liquidity risk is the risk that companies within the group will encounter difficulty in meeting obligations associated with financial liabilities. To counter this risk, the group operates with a high level of interest cover and at low levels of net debt relative to its net asset value. In addition, it benefits from strong cash flow from its normal trading activities.

Sensitivity analysis
A requirement of IFRS 7, "Financial Instruments: Disclosures", is that the group is required to disclose the effects on income and equity of specific changes in the economic environment, assuming that all other variables remain constant. The standard does not allow for the calculations to take into account the normal commercial decisions that would be made in reaction to these changes, for example, alternative sourcing of products or finance and changes to pricing structures. Therefore the figures in the following two paragraphs are the hypothetical results of the specified changes, taken in isolation, without consideration for any action by management to moderate the effects, and should be read in this context.

Notes to the Financial Statements

continued

Interest risk sensitivity analysis
The group has used a sensitivity analysis technique that measures the estimated change to the income statement and equity of a 1% change in the base rate, with all other variables remaining constant. This analysis is provided for illustrative purposes only. Profit for the year ending 31 March 2016 and net equity would have increased/ decreased by £16,000 (2015: increased/decreased by £7,000).

Currency risk sensitivity analysis
The group has used a sensitivity analysis technique that measures the estimated change to the income statement and equity of a 10% strengthening or weakening in sterling against all other currencies at the year end, with all other variables remaining constant. This analysis is provided for illustrative purposes only. Profit for the year ending 31 March 2016 and net equity would have increased/decreased by £32,000 (2015: increased/decreased by £50,000).

24. Capital Management

The group aims to manage its overall capital so as to ensure that companies within the group continue to operate as going concerns and to maintain sufficient financial flexibility to undertake planned investments, whilst providing an adequate return to shareholders. The group also aims to optimise its capital structure in order to reduce the cost of capital and support the group's operations. The group's capital structure represents the equity attributable to the shareholders of the company together with borrowings, cash and cash equivalents. The group's capital structure is constantly reviewed to ensure that an appropriate level of gearing is being used. At 31 March 2016 borrowings of £1,272,000 represented 7.1% of the shareholders' funds of £11,182,000 (2015: £1,577,000 borrowings represented 13.5% of the shareholders' funds of £11,450,000).

25. Share capital

Ordinary share capital

	2016 **£'000**	2015 £'000
Authorised:		
37,500,000 Ordinary 10p shares	**3,750**	3,750

Allotted, issued and fully paid:

10p Ordinary Shares

	2016	**2016**	2015	2015
	Number	**£'000**	Number	£'000
At 31 March 2015 and 2016	**30,818,074**	**3,082**	30,818,074	3,082

Of the issued share capital, 922,098 shares are held in treasury at the year-end (2015: 922,098).

Each ordinary share attracts one vote, other than those shares held in treasury which do not have voting rights, and there are no restrictions attached to ordinary shares as to dividends or other distributions.

26. Cash flow generated from operations

	2016 £'000	2015 £'000
Cash flows from operating activities		
Profit for the year attributable to equity shareholders	**3,228**	2,676
Depreciation charge (note 11)	**662**	599
Finance costs (note 7)	**42**	34
Income tax expense (note 8)	**584**	654
Profit on disposal of held for sale subsidiary	**(168)**	–
Profit on disposal of assets held for sale	**(785)**	–
Profit on disposal of property, plant & equipment	**(191)**	(131)
Amortisation of intangible asset (note 12)	**33**	33
Operating cash flow before changes in working capital	**3,405**	3,865
(Increase)/decrease in inventories	**424**	(1,208)
(Increase)/decrease in receivables	**1,179**	(2,928)
Increase/(decrease) in payables	**(1,907)**	637
Cash generated from operations	**3,101**	366
Net interest (paid)/refunded	**(42)**	104
Income taxes paid	**(561)**	(286)
Net cash generated from ordinary operations	**2,498**	184

27. Total cash and cash equivalents

	2016 £'000	2015 £'000
Cash and cash equivalents within current assets	**1,536**	564
Bank overdrafts (note 18)	**(47)**	(1,579)
Total cash and cash equivalents	**1,489**	(1,015)

Notes to the Financial Statements

continued

28. Commitments

Capital commitments

At 31 March 2016 the group had commitments for capital expenditure authorised but not contracted, and not provided for in the financial statements, of £46,000 (2015: £213,000).

Leasing commitments

Group as lessee

At 31 March, the total of future minimum lease payments under non-cancellable operating leases was as follows:

	2016 £'000	2015 £'000
Land and Buildings		
Not later than one year	**294**	258
Later than one year and not later than five years	**1,187**	619
Later than five years	**649**	333
Other equipment		
Not later than one year	**29**	45
Later than one year and not later than five years	**32**	47
	2,191	1,302

The group has commitments under several operating leases for certain of the properties occupied by its operating businesses. Leases have an average term of 8.2 remaining years, with options to extend for varying time periods at rentals to be determined with reference to market rates and/or the retail price index.

Purchasing commitments

At 31 March 2016, the group had total commitments under product purchasing agreements as follows:

	2016 £'000	2015 £'000
Not later than one year	**569**	512
Later than one year and not later than five years	**1,138**	512
	1,707	1,024

29. Related party transactions

During the year, transactions between the group and related parties arose as follows:

The group paid £224,000 (2015: £216,000) to a company controlled by the Chairman, K A Harrison, in respect of certain of the leases described in note 27 above, which were negotiated at arm's length. There were no amounts outstanding (2015: £nil) in relation to the leases at 31 March 2016.

Other than as disclosed above, no director had a material interest in any contract to which the group was a party.

30. Subsequent events

Two of the group's subsidiaries, Technocover Limited and OSA Door Parts Limited, were sold in July 2016. Further details are included in note 2 to the accounts. The bank loan was repaid from the proceeds of the sales.

Company Balance Sheet

at 31 March 2016

Company number: 00013944

	Note	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	1	**669**	3,610
Investments	2	**1,360**	8,715
		2,029	12,325
Current assets			
Debtors due after more than one year	4	**3,492**	449
Debtors due within one year	4	**3,899**	539
		7,391	988
Creditors: amounts falling due within one year	5	**(2,566)**	(4,171)
Net current assets/(liabilities)		**4,825**	(3,183)
Total assets less current liabilities		**6,854**	9,142
Creditors: amounts falling due after more than one year	6	**(1,065)**	–
Provisions for liabilities and charges			
Pension liability	8	**–**	(2,139)
		5,789	7,003
Capital and reserves			
Called up share capital	9	**3,082**	3,082
Share premium account		**552**	552
Revaluation reserve		**–**	1,039
Profit and loss account		**2,155**	2,330
Equity shareholders' funds		**5,789**	7,003

The financial statements were approved and authorised for issue by the board on 22 July 2016 and signed on its behalf by:

A R Harrison
M A Chadwick } Directors

The notes on pages 41 to 46 form part of these financial statements.

Company Statement of Changes in Equity

for the year ended 31 March 2016

	Issued Capital £'000	Share Premium £'000	Revaluation reserve £'000	Retained Earnings £'000	Total Equity £'000
Balance as at 1 April 2014	3,082	552	1,039	1,859	6,532
Profit for the year	–	–	–	1,095	1,095
Other comprehensive income:					
Actuarial loss	–	–	–	(201)	(201)
Related deferred tax	–	–	–	56	56
Total comprehensive income for the year	–	–	–	950	950
Dividends paid	–	–	–	(479)	(479)
Total transactions recognised directly in equity	–	–	–	(479)	(479)
Balance at 31 March 2015	3,082	552	1,039	2,330	7,003
Balance as at 1 April 2015	3,082	552	1,039	2,330	7,003
Profit for the year	–	–	–	2,282	2,282
Other comprehensive income:					
Actuarial loss	–	–	–	(3,462)	(3,462)
Related deferred tax	–	–	–	579	579
Total comprehensive income for the year	–	–	–	(601)	(601)
Dividends paid	–	–	–	(613)	(613)
Transfer of surplus to retained earnings on disposal of properties	–	–	(1,039)	1,039	–
Total transactions recognised directly in equity	–	–	(1,039)	426	(613)
Balance at 31 March 2016	**3,082**	**552**	**–**	**2,155**	**5,789**

Share premium

The share premium account represents the consideration that has been received in excess of the nominal value of shares on issue of new ordinary share capital, less permitted expenses.

Revaluation reserve

The revaluation reserve represents the unrealised surplus arising on the revaluation of certain of the group's freehold properties.

Retained earnings

The retained earnings reserve represents profits and losses retained in the current and previous periods.

The notes on pages 41 to 46 form part of these financial statements.

Notes to the Company Balance Sheet

for the year ended 31 March 2016

ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework ("FRS101"). The company transitioned to FRS 101 from the previous UK Generally Accepted Accounting Practice on 1 April 2014 for all periods presented in these financial statements. The adjustments arising from the transition are set out in note 10.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and derivative financial instruments at fair value through profit or loss. The principal accounting policies adopted by the company are set out below.

As a wholly owned subsidiary of a group which reports under International Financial Reporting Standards ("IFRS"), the company is entitled to take advantage of certain exemptions permitted by FRS 101, provided the equivalent disclosures are made in the group accounts. Exemptions have been applied in respect of the following disclosures:

- The cash flow statement and related notes
- Capital management disclosures
- The effects of new but not yet effective IFRSs
- Financial instrument disclosures

Tangible fixed assets

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & machinery	–	10% - 33% straight line
Motor vehicles	–	25% straight line

Investment properties

Investment properties are held at valuation and the carrying value is assessed by the directors, External valuers are employed to value the properties where appropriate to enable the directors to assess the carrying values. Adjustments on revaluations are taken to the revaluation reserve. Where there is no revaluation reserve available against which to offset a reduction in value, the reduction is charged to the profit and loss account.

Investments

Investments are stated at cost and are subject to an annual impairment review.

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 full period of the lease.

Taxation

The tax charge represents the sum of current tax and deferred tax.

Current tax is based upon the profit for the year. The company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. The company's liability for deferred tax is calculated using tax rates that have been substantively enacted by the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities may be set off against each other provided there is a legal right to do so and it is the directors' intention to do so.

Notes to the Company Balance Sheet

continued

Pensions

The company operates a defined contribution scheme, for which the amount charged to the profit and loss account is the amount of contributions payable in the year.

The defined benefit scheme previously operated by the company closed on 31 March 2006. Funds were remitted to the scheme in December 2015 in order to allow the purchase of an insurance policy to meet the obligation. The surplus arising in the scheme as a result of this remittance has been written off to retained earnings outside the income statement in the year. The interest cost and the expected return on assets are shown as a net amount within other finance costs or credits, except to the extent that credits are matched by the write off to retained earnings. Actuarial gains and losses are recognised in full as they arise, outside the income statement, as a credit or charge to retained earnings.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Further details are given in the accounting policies of the group accounts.

Financial cross guarantees

Financial cross guarantees are initially recorded at fair value and subsequently measured at the higher of the amount determined in accordance with IAS 37 and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with IAS 18.

Result of the Company

The company has elected to take exemption under section 408 of the Companies Act 2006 to not present the parent company profit and loss account. The company profit for the year is £2,282,000 (2015: £1,095,000).

1. Tangible fixed assets

	Investment property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation at 1 April 2014	3,986	222	108	4,316
Additions	7	14	88	109
Revaluation	(26)	–	–	(26)
Disposals	(574)	–	(93)	(667)
Cost or valuation at 1 April 2015	3,393	236	103	3,732
Revaluation	(9)	–	–	(9)
Disposals	(2,854)	(115)	–	(2,969)
Cost or valuation at 31 March 2016	**530**	**121**	**103**	**754**
Depreciation at 1 April 2014	–	71	64	135
Charge for the year	–	26	26	52
Disposals	–	–	(65)	(65)
Depreciation at 1 April 2015	–	97	25	122
Charge for the year	–	13	26	39
Disposals	–	(76)	–	(76)
Depreciation at 31 March 2016	**–**	**34**	**51**	**85**
Net book value at 31 March 2016	**530**	**87**	**52**	**669**
Net book value at 31 March 2015	3,393	139	78	3,610
Net book value at 31 March 2014	3,986	151	44	4,181

2. Investments

	Shares in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Total £'000
Cost at 1 April 2014	3,178	9,816	12,994
Disposals	(1,623)	–	(1,623)
Net advances	–	1,877	1,877
Cost at 31 March 2015	1,555	11,693	13,248
Disposal	(195)	–	(195)
Transfer to current assets	–	(11,693)	(11,693)
Cost at 31 March 2016	**1,360**	**–**	**1,360**
Provision at 1 April 2014	1,604	4,453	6,057
Movement in year	(1,524)	–	(1,524)
Provision at 31 March 2015	80	4,453	4,533
Movement in year	(80)	80	–
Transfer to current assets	–	(4,533)	(4,533)
Provision at 31 March 2016	**–**	**–**	**–**
Balance at 31 March 2016	**1,360**	**–**	**1,360**
Balance at 31 March 2015	1,475	7,240	8,715
Balance at 31 March 2014	1,574	5,363	6,937

At 31 March 2016 the company was the beneficial owner of the entire issued share capital and controlled all the votes of its subsidiaries. The principal trading subsidiaries, all of which were incorporated in England and Wales, are set out in note 1 to the group accounts.

The disposal in 2016 relates to Ensor Building Products Limited and is detailed in note 2 to the group accounts. The disposals in 2015 relate to previously dormant subsidiaries which have now been dissolved.

3. Deferred taxation

	Accelerated tax depreciation £'000	Other temporary differences £'000	Non-current deferred tax asset on retirement benefit plan £'000	Total non-current deferred tax asset/(liability) £'000
At 1 April 2014	2	18	475	495
Credited/(charged) to Consolidated Income Statement	2	(1)	(107)	(106)
Credited to Consolidated Statement of Comprehensive Income	–	–	60	60
At 1 April 2015	4	17	428	449
Credited/(charged) to Consolidated Income Statement	(13)	(338)	–	(351)
Credited/(charged) to Consolidated Statement of Comprehensive Income	–	1,007	(428)	579
At 31 March 2016	**(9)**	**686**	**–**	**677**

Notes to the Company Balance Sheet

continued

4. Debtors

	2016 £'000	2015 £'000
Debtors due after more than one year:		
Deferred tax asset (note 3)	**677**	449
Loans to subsidiary undertakings	**2,815**	–
	3,492	449
Debtors due within one year:		
Trade debtors	**2**	17
Amounts owed by subsidiary undertakings	**3,587**	361
Prepayments and accrued income	**210**	161
Other debtors	**100**	–
	3,899	539

5. Creditors : amounts falling due within one year

	2016 £'000	2015 £'000
Bank loans and overdrafts (note 7)	**2,268**	3,529
Trade creditors	**80**	69
Other taxes and social security	**20**	26
Corporation tax	**–**	197
Other creditors	**7**	18
Accruals and deferred income	**191**	332
	2,566	4,171

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

	2016 £'000	2015 £'000
Bank loans and overdrafts (note 7)	**1,065**	–

7. Bank loans and overdrafts

The banking facilities of the company and certain of its subsidiaries are secured by multilateral, joint and several unlimited guarantees given by the company and those subsidiary undertakings. The guarantees are supported by fixed charges over certain freehold properties and book debts and by floating charges over other assets.

The overdraft position of the parent company exceeds that of the companies within this facility due to the distribution of cash and overdraft balances across the group. The net position of this facility at 31 March 2016 is an overdraft of £47,000 (2015: £1,579,000 in credit).

The bank loan is payable in quarterly instalments with interest charged at 2.75% over LIBOR.

8. Pensions

	2016 £'000	2015 £'000
Deficit in pension fund	–	2,139

The company operates both defined benefit and defined contribution schemes. The defined benefit scheme was closed to new members with effect from 1 April 2002 and ceased accrual of benefits with effect from 31 March 2006. In December 2015 the company remitted funds to the pension scheme in order for it to purchase an insurance contract which will eventually settle the liabilities of the scheme in full. Other than a modest final adjustment to the premium, the company does not expect to provide any further funding to the scheme.

Full details of the actuarial assumptions, market value and assets and liabilities of the scheme are detailed in note 17 to the group accounts. The related deferred tax asset is detailed in note 20 to the group accounts.

9. Share capital

	2016 £'000	2015 £'000
Authorised:		
37,500,000 Ordinary 10p shares	**3,750**	3,750

Allotted, issued and fully paid: 10p Ordinary Shares

	2016 Number	2016 £'000	2015 Number	2015 £'000
At 31 March 2015 and 2016	**30,818,074**	**3,082**	30,818,074	3,082

Of the issued share capital, 922,098 shares are held in treasury at the year-end (2015: 922,098).

Each ordinary share attracts one vote, other than those shares held in treasury which do not have voting rights, and there are no restrictions attached to ordinary shares as to dividends or other distributions.

There were no ordinary share options subsisting at 31 March 2016 or 2015.

10. Effect of transition to FRS 101

The company has adopted FRS 101, which applies the accounting policies of IFRS, with reduced disclosures. As required by the transition arrangements, the company has restated the balance sheets at 31 March 2015 and 2014, and the profit for the year ended 31 March 2015. The following tables show the effects of the restatement.

Holiday pay was not accrued under the previous accounting framework, but the accrual is required by IFRS. Loans between group companies are discounted to net present value under IFRS, but not under the previous framework.

	2015 £'000	2014 £'000
Net assets as previously reported	7,073	6,602
Holiday pay accrual	(7)	(7)
Deferred tax adjustment on holiday pay accrual	1	1
Discount on group loan	(80)	(80)
Deferred tax adjustment on loan discount	16	16
Restated net assets	7,003	6,532

In addition to the adjustments listed, freehold properties included were previously not treated as investment properties as these were occupied by subsidiary undertaking. On transition to FRS 101 the properties have been classified as investment properties in the company balance sheet. This reclassification does not affect the net assets at that date.

Notes to the Company Balance Sheet

continued

11. Commitments

Capital commitments

At 31 March 2016 and 31 March 2015 the company had no commitments for capital expenditure contracted but not provided for in the financial statements.

Leasing commitments

At 31 March 2016 the company had commitments to future minimum payments under operating leases as follows:

	Land and buildings		Other	
	2016	2015	**2016**	2015
	£'000	£'000	**£'000**	£'000
Land and Buildings				
Not later than one year	**17**	17	**–**	–
Later than one year and not later than five years	**56**	93	**–**	–
Later than five years	**69**	49	**–**	–
	142	159	**–**	–

Guarantees

The company has guaranteed the bank overdrafts of certain subsidiary undertakings. These subsidiaries did not have overdrafts at 31 March 2016 (2015: no overdrafts). The maximum overdraft facility so guaranteed is £1,000,000 (2015: £3,000,000).The company was also a member of a VAT group at 31 March 2016, together with certain of the subsidiaries, and has guaranteed the total liability of the VAT group at 31 March 2016 of £376,000 (2015: £515,000). The VAT group has now been disbanded and all companies have their own individual VAT registrations. All liabilities of the VAT group have been settled.

12. Related party transactions

During the year, transactions between the group and related parties arose as follows:

The company paid £17,000 (2015: £17,000) to a company controlled by the Chairman, K A Harrison, in respect of certain of the leases described in note 26 to the group accounts, which were negotiated at arm's length. There were no amounts outstanding in relation to the leases at 31 March 2016 (2015: £nil).

Other than as disclosed above, no director had a material interest in any contract to which the group was a party.

The company leased properties to subsidiary companies for use in their businesses, receiving a total of £31,000 in this respect (2015: £62,000). There were no amounts outstanding in relation to the leases at 31 March 2016 (2015: £nil).

13. Subsequent events

Two of the company's subsidiaries, Technocover Limited and OSA Door Parts Limited, were disposed of in July 2016. Further details are given in notes 2 and 30 to the group accounts. The bank loan was repaid from the proceeds of the sales

Notice of the Annual General Meeting

Notice is hereby given that the annual general meeting of the members of Ensor Holdings PLC will be held at Ellard House, Floats Road, Manchester M23 9WB on 15 September 2016, at 10.00 a.m. for the following purposes:-

Ordinary Business

1) To receive and adopt the Reports of the Directors and Independent Auditors and the Financial Statements of the company for the year ended 31 March 2016.

2) To declare a final dividend for the year.

3) To re-elect A E Coyne as a director.

4) To re-elect M A Chadwick as a director.

5) To re-appoint the Independent Auditors, and to authorise the directors to fix their remuneration.

Special Business

6) To consider and, if thought fit, pass the following resolution as a Special Resolution:

That the company be generally and unconditionally authorised to make market purchases (within the meaning of section 693 (4) of the Companies Act 2006) of ordinary shares of 10p each provided that:

i) the maximum number of ordinary shares hereby authorised to be acquired is 4,622,711 representing approximately 15% of the total share capital of the company in issue;

ii) the minimum price which may be paid for any such shares is 10p;

iii) the maximum price which may be paid for any such shares is an amount equal to 105% of the average of the middle market quotations for an ordinary share in the company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased;

iv) the authority hereby conferred shall expire on the date 18 months from the date of this annual general meeting or, if earlier, at the conclusion of the annual general meeting of the company to be held in 2017;

v) the company may make a contract to purchase its ordinary shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its ordinary shares in pursuance of such contract.

By order of the board

M A Chadwick
Secretary
22 July 2016

Ellard House
Floats Road
Manchester
M23 9WB

Notes to the Notice of the Annual General Meeting

Entitlement to attend and vote

1. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 the company specifies that only those members registered on the company's register of members 48 hours before the time of the meeting shall be entitled to attend and vote at the meeting.

Appointment of proxies

2. If you are a member of the company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the company, Share Registrars Limited on 01252 821 390.

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

   To appoint a proxy using the proxy form, the form must be:

   - completed and signed;
   - sent or delivered to Share Registrars Limited at The Courtyard, 17, West Street, Farnham, Surrey GU9 7DR or by facsimile transmission to 01252 719 232;
   - alternatively, the completed proxy form can be scanned and emailed to proxies@shareregistrars.uk.com;
   - and received by Share Registrars Limited no later than two working days prior to the meeting.

   In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

   Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

   Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited on 01252 821 390.

   If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the company using one of the following methods:

   By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at The Courtyard, 17, West Street, Surrey GU9 7DR or by facsimile transmission to 01252 719 232. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

   In either case, the revocation notice must be received by Share Registrars Limited no later than two working days prior to the meeting.

   If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

   Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

10. As at 13 June 2016, the company's issued share capital comprised 30,818,074 ordinary shares of 10p each including 922,098 ordinary shares held in treasury. Each ordinary share carries the right to one vote at an annual general meeting of the company and, therefore, the total number of voting rights in the company as at 13 June 2016 is 29,895,976.

Communications with the company

11. Except as provided above, members who have general queries about the meeting should telephone Marcus Chadwick on 0161 945 5953 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting, or any related documents (including the chairman's letter and proxy form), to communicate with the company for any purposes other than those expressly stated.

    There will be available for inspection at the registered office of the company during normal business hours of any week day (Saturdays excepted) from the date of this notice until the date of the meeting and at the place of the meeting for fifteen minutes prior to and during the meeting:-

    (a) The Register of Directors' Interests kept by the company under Section 809 of the Companies Act 2006;

    (b) Copies of all service contracts for periods in excess of one year between the directors and the company.

ENSOR HOLDINGS PLC
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