

REGISTRAR

Company Registration No. 00857251 (England and Wales)

ABEL ALARM COMPANY LIMITED

**ANNUAL REPORT
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2015**

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ABEL ALARM COMPANY LIMITED

COMPANY INFORMATION

Directors	P J Eyre Mrs M Eyre P G Allen
Secretary	A C Warner
Company number	00857251
Registered office	Detection House 4 Vaughan Way Leicester LE1 4ST
Auditors	Newby Castleman West Walk Building 110 Regent Road Leicester LE1 7LT

ABEL ALARM COMPANY LIMITED

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ABEL ALARM COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and financial statements for the year ended 31 December 2015.

Fair review of the business

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. This review is consistent with the size and non-complex nature of the company and is written in the context of the risks and uncertainties that the company faces.

The company continues to install, and provide rental and maintenance of electronic security systems, together with the manufacture and sale of security products.

The key financial performance indicator is considered to be that which communicates the financial performance and strength of the company as a whole, being return on capital employed.

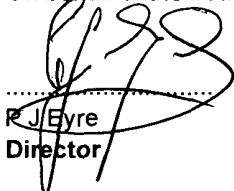
Return on capital employed has increased to 18.24% (2014 - 1.92%) and is calculated as profit before interest and tax divided by capital employed, which constitutes total assets less current liabilities, less investments, less cash, plus overdrafts and other short term borrowings.

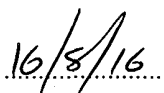
Overall operating profit has increased to £497,740 (2014 - £54,804) and the profit before tax amounted to £492,308 (2014 - £59,087). This year's figures are inclusive of £318,870 of profit on the sale of properties. After taxation and dividends, £316,104 has been added to reserves.

The principal risks and uncertainties facing the business are continually monitored by the directors who seek to mitigate such risks. Competitive pressure is a continuing risk in the security systems market and margins continue to be tight. The company responds to this risk by offering leading edge technology and providing a range of added-value services to its customers.

In light of the current economic climate and competitive nature of the industry, the results for the year and the financial position of the business at the year end were considered satisfactory by the directors who believe that the company is well placed to react quickly to any changes in trading conditions and to take advantage of any business opportunities that may arise.

On behalf of the board


R. J. Eyre
Director


16/8/16

ABEL ALARM COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and financial statements for the year ended 31 December 2015.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P J Eyre
Mrs M Eyre
P G Allen

Results and dividends

The results for the year are set out on page 5.

Ordinary dividends were paid amounting to £90,400. The directors do not recommend payment of a final dividend.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

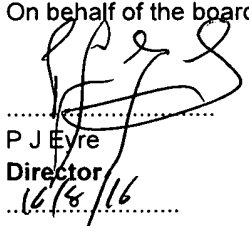
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



P J Eyre

Director

16/8/16

ABEL ALARM COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABEL ALARM COMPANY LIMITED

We have audited the financial statements of Abel Alarm Company Limited for the year ended 31 December 2015 set out on pages 5 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ABEL ALARM COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ABEL ALARM COMPANY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Michael Castleman FCA (Senior Statutory Auditor)

for and on behalf of Newby Castleman

Chartered Accountants

Statutory Auditor

West Walk Building

110 Regent Road

Leicester

LE1 7LT

19 August 2016

ABEL ALARM COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	11,746,919	11,373,657
Cost of sales		(6,692,919)	(6,587,193)
Gross profit		5,054,000	4,786,464
Distribution costs		(1,115,380)	(1,172,536)
Administrative expenses		(3,772,378)	(3,574,997)
Other operating income		31,033	30,210
Profit / (loss) on sale of tangible fixed assets	4	300,465	(14,337)
Operating profit	5	497,740	54,804
Interest receivable and similar income	8	2,647	4,283
Loss on disposal of current asset investments	9	(29,377)	-
Fair value gains and losses on investment properties		21,298	-
Profit before taxation		492,308	59,087
Taxation	10	(96,725)	(30,856)
Profit for the financial year		395,583	28,231

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ABEL ALARM COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
Profit for the year	395,583	28,231
Other comprehensive income		
Tax relating to other comprehensive income	10,921	7,419
Total comprehensive income for the year	<u>406,504</u>	<u>35,650</u>

ABEL ALARM COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Intangible assets	12	231,168		279,976	
Tangible assets	13	3,152,371		3,691,664	
Investment properties	14	330,000		118,702	
		<u>3,713,539</u>		<u>4,090,342</u>	
Current assets					
Stocks	17	268,758		300,541	
Debtors	18	2,997,592		2,593,909	
Investments	19	-		225,515	
Cash at bank and in hand		1,139,769		606,388	
		<u>4,406,119</u>		<u>3,726,353</u>	
Creditors: amounts falling due within one year	20	<u>(4,295,754)</u>		<u>(4,352,623)</u>	
Net current assets/(liabilities)			110,365		(626,270)
Total assets less current liabilities			<u>3,823,904</u>		<u>3,464,072</u>
Provisions for liabilities	21		<u>(102,279)</u>		<u>(58,551)</u>
Net assets			<u><u>3,721,625</u></u>		<u><u>3,405,521</u></u>
Capital and reserves					
Called up share capital	24	8,012		8,012	
Revaluation reserve	25	749,035		928,344	
Other reserves		36,540		36,540	
Profit and loss reserves	26	2,928,038		2,432,625	
Total equity			<u><u>3,721,625</u></u>		<u><u>3,405,521</u></u>

The financial statements were approved by the board of directors and authorised for issue on 16/8/16 and are signed on its behalf by:


 P. J. Eyre
 Director

Company Registration No. 00857251

ABEL ALARM COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Revaluation reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2014		8,012	949,005	36,540	2,466,714	3,460,271
Period ended 31 December 2014:						
Profit for the year		-	-	-	28,231	28,231
Other comprehensive income:						
Tax relating to other comprehensive income		-	7,419	-	-	7,419
Total comprehensive income for the year		-	7,419	-	28,231	35,650
Dividends	11	-	-	-	(90,400)	(90,400)
Transfers		-	(28,080)	-	28,080	-
Balance at 31 December 2014		8,012	928,344	36,540	2,432,625	3,405,521
Period ended 31 December 2015:						
Profit for the year		-	-	-	395,583	395,583
Other comprehensive income:						
Tax relating to other comprehensive income		-	10,921	-	-	10,921
Total comprehensive income for the year		-	10,921	-	395,583	406,504
Dividends	11	-	-	-	(90,400)	(90,400)
Transfers		-	(190,230)	-	190,230	-
Balance at 31 December 2015		8,012	749,035	36,540	2,928,038	3,721,625

ABEL ALARM COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	32	135,789		334,983	
Income taxes paid		(20,773)		(88,758)	
Net cash inflow from operating activities		115,016		246,225	
Investing activities					
Purchase of intangible assets		(13,494)		(54,847)	
Purchase of tangible fixed assets		(570,727)		(494,428)	
Proceeds on disposal of tangible fixed assets		898,821		27,962	
Current asset investments		196,138		(225,515)	
Interest received		2,647		4,283	
Net cash generated from/(used in) investing activities		513,385		(742,545)	
Financing activities					
Repayment of borrowings		(4,620)		(5,000)	
Dividends paid		(90,400)		(90,400)	
Net cash used in financing activities		(95,020)		(95,400)	
Net increase/(decrease) in cash and cash equivalents		533,381		(591,720)	
Cash and cash equivalents at beginning of year		606,388		1,198,108	
Cash and cash equivalents at end of year		1,139,769		606,388	

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Abel Alarm Company Limited is a limited company domiciled and incorporated in England and Wales. The address of the registered office and place of business is given in the company information page of these financial statements.

1.1 Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of certain freehold properties (in accordance with FRS 102) and investment properties. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

These financial statements for the year ended 31 December 2015 are the first financial statements of Abel Alarm Company Limited prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 January 2014. An explanation of the financial effects of the transition to FRS 102 is given in note 33.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised as the fair value of the consideration received or receivable for goods and services provided in the normal course of business and comprises;

-Turnover from installation of security systems, which is recognised when the installation is complete.

-Turnover from rental and maintenance services, which is recognised equally over the period that the services are provided.

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life, which is 10 years.

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	2% per annum of cost or valuation
Long leasehold property	4% per annum of cost or valuation
Leasehold alterations	4% per annum of cost
Plant and machinery	15% per annum of net book value
Fixtures, fittings and equipment	15% per annum of net book value
Motor vehicles	25% per annum of net book value

No depreciation is provided in respect of freehold land.

The company previously adopted a policy of revaluing freehold properties. The company has adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the previous revaluation as deemed cost.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount in order to determine the extent of the impairment loss (if any). Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the profit and loss account unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials costs. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.10 Financial instruments

Financial instruments are recognised in the company's Balance Sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets and liabilities are initially measured at transaction price including transaction costs and are subsequently measured at amortised cost using the effective interest method. Any losses arising from impairment are recognised in the profit and loss account.

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.13 Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the profit and loss account on a straight line basis over the term of the relevant lease.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015 £	2014 £
Turnover		
Sales of goods	7,267,267	7,018,551
Sales of services	4,479,652	4,355,106
	<u>11,746,919</u>	<u>11,373,657</u>

Other significant revenue

Interest income	<u>2,647</u>	<u>4,283</u>
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Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	<u>11,746,919</u>	<u>11,373,657</u>

4 Exceptional items

	2015 £	2014 £
Profit / (loss) on sale of tangible fixed assets	<u>300,465</u>	<u>(14,337)</u>

The company classifies certain one off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

5 Operating profit

	2015	2014
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	10,000	10,000
Depreciation of owned tangible fixed assets	321,664	340,991
Amortisation of intangible assets	62,302	120,003
Cost of stocks recognised as an expense	3,029,755	2,956,618
Operating lease charges	54,000	54,000
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015	2014
	Number	Number
Management and administration	69	67
Production	108	105
Sales	39	38
	<u> </u>	<u> </u>
	216	210
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2015	2014
	£	£
Wages and salaries	5,664,606	5,542,285
Social security costs	537,853	550,335
Pension costs	35,852	27,225
	<u> </u>	<u> </u>
	6,238,311	6,119,845
	<u> </u>	<u> </u>

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	570,478	571,441

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2014 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	261,695	262,575
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8 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	2,647	4,283

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	2,647	4,283
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9 Amounts (written back) / written off investments

	2015 £	2014 £
Loss on disposal of current asset investments	29,377	-

10 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	52,668	20,773
Adjustments in respect of prior periods	(10,592)	-
Total current tax	42,076	20,773
Deferred tax		
Origination and reversal of timing differences	54,649	10,083
Total tax charge	96,725	30,856

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

10 Taxation

(Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	492,308	59,087
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 20.00%)	98,462	11,817
Tax effect of expenses that are not deductible in determining taxable profit	7,291	2,768
Tax effect of income not taxable in determining taxable profit	(62,158)	-
Adjustments in respect of prior years	(10,592)	-
Effect of change in corporation tax rate	-	(2,402)
Depreciation on assets not qualifying for tax allowances	13,001	18,673
Other timing differences	50,721	-
Tax expense for the year	96,725	30,856

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2015 £	2014 £
Deferred tax arising on: Revaluation of property	(10,921)	(7,419)

11 Dividends

	2015 £	2014 £
Ordinary interim paid	90,400	90,400
	90,400	90,400

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

12 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2015	2,201,907
Additions - separately acquired	13,494
	<hr/>
At 31 December 2015	2,215,401
	<hr/>
Amortisation and impairment	
At 1 January 2015	1,921,931
Amortisation charged for the year	62,302
	<hr/>
At 31 December 2015	1,984,233
	<hr/>
Carrying amount	
At 31 December 2015	231,168
	<hr/> <hr/>
At 31 December 2014	279,976
	<hr/> <hr/>

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

13 Tangible fixed assets

	Freehold property	Long leasehold property	Leasehold alterations	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost or valuation							
At 1 January 2015	2,405,000	612,792	96,871	236,946	1,389,910	1,921,921	6,663,440
Additions	240,167	-	-	-	65,463	265,097	570,727
Disposals	(600,000)	-	-	-	-	(214,909)	(814,909)
Transfer to investment property	-	(214,310)	-	-	-	-	(214,310)
At 31 December 2015	2,045,167	398,482	96,871	236,946	1,455,373	1,972,109	6,204,948
Depreciation and impairment							
At 1 January 2015	142,205	41,655	15,435	226,143	1,292,474	1,253,864	2,971,776
Depreciation charged in the year	36,339	24,512	3,875	1,620	29,457	225,861	321,664
Eliminated in respect of disposals	(31,352)	-	-	-	-	(185,201)	(216,553)
Transfer to investment property	-	(24,310)	-	-	-	-	(24,310)
At 31 December 2015	147,192	41,857	19,310	227,763	1,321,931	1,294,524	3,052,577
Carrying amount							
At 31 December 2015	1,897,975	356,625	77,561	9,183	133,442	677,585	3,152,371
At 31 December 2014	2,262,795	571,137	81,436	10,803	97,436	668,057	3,691,664

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

13 Tangible fixed assets

(Continued)

The company has adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use a previous revaluation as the deemed cost for freehold properties held at the date of transition to FRS 102.

The freehold properties were last revalued in either 2012 or 2013 on the basis of existing use value by independent qualified valuers. The resulting revaluation adjustments were taken to the revaluation reserve.

The comparable historic cost of the freehold properties that have been valued using the deemed cost exemption at the date of transition to FRS 102 is as follows:

	2015 £	2014 £
Cost	744,251	1,224,115
Accumulated depreciation	260,360	360,887
Carrying value	<u>483,891</u>	<u>863,228</u>

The revaluation surplus is disclosed in note 25.

During the year, the company rented out part of a property that was previously wholly used in the production and supply of goods and services. The rented element of this property has been transferred to investment properties at its carrying valuation on the reclassification date.

14 Investment property

	2015 £
Fair value	
At 1 January 2015	118,702
Transfers	190,000
Net gains or losses through fair value adjustments	21,298
At 31 December 2015	<u>330,000</u>

The fair value of the investment property is stated at directors' valuation and has been guided by independent advice from Chartered Surveyors.

The historical cost equivalent of investment properties stated at fair value is £280,600 (2014: £90,600).

During the year, the company rented out part of a property that was previously wholly used in the production and supply of goods and services. The rented element of this property has been transferred to investment properties at its carrying valuation on the reclassification date.

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

15 Fixed asset investments

	Listed Investments £
Cost or valuation	
At 1 January 2015 & 31 December 2015	506
Impairment	
At 1 January 2015 & 31 December 2015	506
Carrying amount	
At 31 December 2015	-
At 31 December 2014	-

16 Financial instruments

	2015 £	2014 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,614,350	2,188,835
Carrying amount of financial liabilities		
Measured at amortised cost	3,814,213	3,917,449

17 Stocks

	2015 £	2014 £
Finished goods and goods for resale	268,758	300,541

18 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	2,600,310	1,788,017
Other debtors	14,040	400,818
Prepayments and accrued income	383,242	405,074
	2,997,592	2,593,909

19 Current asset investments

	2015 £	2014 £
Other investments	-	225,515

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

20 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Directors' current account		7,167	11,787
Payments received on account		2,304,988	2,340,209
Trade creditors		610,900	686,082
Amount due to parent undertaking		692,037	686,837
Corporation tax		42,076	20,773
Other taxation and social security		380,991	353,429
Other creditors		199,121	192,534
Accruals and deferred income		58,474	60,972
		<u>4,295,754</u>	<u>4,352,623</u>

21 Provisions for liabilities

		2015 £	2014 £
Deferred tax liabilities	22	102,279	58,551
		<u>102,279</u>	<u>58,551</u>

22 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £
Balances:		
Accelerated capital allowances	27,044	23,116
Other timing differences	52,903	2,182
Property revaluations	22,332	33,253
	<u>102,279</u>	<u>58,551</u>
Movements in the year:		2015 £
Liability at 1 January 2015		58,551
Charge to profit or loss		54,649
Credit to other comprehensive income		(10,921)
Liability at 31 December 2015		<u>102,279</u>

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

23 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £35,852 (2014 - £27,225).

24 Share capital

	2015 £	2014 £
Issued and fully paid		
57,520 Ordinary shares class A of 10p each	5,752	5,752
22,600 Ordinary shares class B of 10p each	2,260	2,260
	<u>8,012</u>	<u>8,012</u>

Both classes of share rank equally in all respects except that the B shares do not carry any voting rights.

25 Revaluation reserve

The revaluation reserve comprises revaluation surpluses for certain freehold and investment properties net of associated deferred tax on these surpluses.

26 Profit and loss reserves

The profit and loss reserve comprises retained profits and losses for the current and prior periods.

27 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Within one year	54,000	54,000
Between two and five years	166,500	184,500
In over five years	109,500	145,500
	<u>330,000</u>	<u>384,000</u>

28 Events after the reporting date

On 13 June 2016, the company acquired the entire share capital of Shield Alarms Limited for a total cash consideration of £600,000.

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2015 £	2014 £
Aggregate compensation	<u>773,528</u>	<u>759,335</u>

Transactions with related parties

The company occupies properties owned by certain company directors and a rental of £54,000 (2014: £54,000) was charged to the company in the year in respect of these properties.

Creditors falling due within one year include a director's current account balance of £7,167 (2014: £11,787).

Other debtors disclosed in Note 18 include £9,291 (2014: £5,551) owed by certain individuals who are directors of the parent undertaking.

During the year the company paid dividends of £5,200 (2014: £5,200) to its parent undertaking. Creditors falling due within one year include £692,037 (2014: £686,837) owed to the parent undertaking.

During the year, dividends totalling £28,000 (2014: £28,000) were paid to certain individuals who are directors of the parent undertaking.

During the prior year, the company purchased a property from a director of its parent undertaking for a consideration of £225,515, of which no amounts were outstanding at the prior year end.

No guarantees have been given or received.

30 Directors' transactions

Dividends totalling £16,000 (2014: £16,000) were paid in the year in respect of shares held by the company's directors.

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

31 Controlling party

The ultimate parent company is Abel Group Limited, a company registered in England and Wales. P J Eyre is the ultimate controlling party through his controlling interest in Abel Group Limited.

Copies of the ultimate parent company's consolidated financial statements can be obtained from Companies House, Cardiff.

32 Cash generated from operations

	2015 £	2014 £
Profit for the year after tax	395,583	28,231
Adjustments for:		
Taxation charged	96,725	30,856
Investment income	(2,647)	(4,283)
(Profit) / loss on disposal of tangible fixed assets	(300,465)	14,337
Fair value gains and losses on foreign exchange contracts and investment properties	(21,298)	-
Amortisation and impairment of intangible assets	62,302	120,003
Depreciation and impairment of tangible fixed assets	321,664	340,991
Loss on sale of current asset investments	29,377	-
Movements in working capital:		
Decrease/(increase) in stocks	31,783	(80,058)
(Increase) in debtors	(403,683)	(158,295)
(Decrease)/increase in creditors	(73,552)	43,201
Cash generated from operations	135,789	334,983

33 Reconciliations on adoption of FRS 102

These financial statements for the year ended 31 December 2015 are the company's first financial statements prepared in accordance with FRS 102.

The transition to FRS 102 has resulted in changes in the company's accounting policies compared to those used when applying previous UK GAAP.

The following explanatory notes describe the changes in accounting policies and reconcile the equity and profit or loss as reported under previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended 31 December 2014 (the restated comparatives), as well as the equity presented in the opening balance sheet as at 1 January 2014 (transition date).

ABEL ALARM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

33 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of equity

	Notes	1 January 2014 £	31 December 2014 £
Equity as reported under previous UK GAAP		3,500,943	3,438,774
Adjustments arising from transition to FRS 102:			
Deferred tax on property revaluation surpluses		(40,672)	(33,253)
Equity reported under FRS 102		<u>3,460,271</u>	<u>3,405,521</u>

Reconciliation of profit or loss

	2014 £
Profit or loss as reported under previous UK GAAP and under FRS 102	<u>28,231</u>

The profit or loss as reported under previous UK GAAP is not affected by the transition to FRS 102.

Notes to reconciliations on adoption of FRS 102

Deferred tax on property revaluation surpluses

Under previous UK GAAP, no deferred tax was provided in respect of property revaluation surpluses. FRS 102 requires that deferred tax is provided on such surpluses.

Investment properties

Under previous UK GAAP, investment properties were stated in the balance sheet at open market value, with changes in value taken directly to a revaluation reserve.

Under FRS 102, investment properties whose fair value can be measured without undue cost or effort on an ongoing basis are stated in the balance sheet at fair value. Changes in fair value are recognised in the profit and loss account.