

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

FOR

A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED

**Malthouse & Company**

**Chartered Accountants & Business Advisers**

Malthouse & Company is the trading name of Malthouse & Company Limited  
registered in England no. 3576518, VAT registration no. 926 7203 23  
Registered office: America House, Rumford Court, Rumford Place, Liverpool L3 9DD

Registered to carry on audit work in the UK and regulated for a range of  
investment business activities by the ICAEW

[www.malthouse.com](http://www.malthouse.com)

THURSDAY



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A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED

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FOR THE YEAR ENDED 28 FEBRUARY 2015

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A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED

COMPANY INFORMATION  
FOR THE YEAR ENDED 28 FEBRUARY 2015

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<b>DIRECTORS:</b>	A Stanley I Cooper P Kennils N Kennedy
<b>SECRETARY:</b>	Mrs K Pilkington
<b>REGISTERED OFFICE:</b>	11 Derby Lane Liverpool Merseyside L13 6QA
<b>REGISTERED NUMBER:</b>	01179302 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Samuel Evans BSc (Hons) ACA
<b>AUDITORS:</b>	Malthouse & Company Chartered Accountants and Statutory Auditors America House, Rumford Court Rumford Place Liverpool Merseyside L3 9DD
<b>BANKERS:</b>	Barclays Bank 265/267 Lord Street Southport Merseyside PR8 1PD
<b>SOLICITORS:</b>	Brabner Holden 1 Dale Street Liverpool Merseyside PR8 1PD

A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED

STRATEGIC REPORT  
FOR THE YEAR ENDED 28 FEBRUARY 2015

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The directors present their strategic report for the year ended 28 February 2015.

**REVIEW OF BUSINESS**

The results for the year have exceeded our expectations. We are pleased to have achieved a turnover of over £15.2 million which represents a 26% increase on the 2014 figures. Our 14.5% Gross Profit margin has been monitored rigorously throughout the year and, although this is a reduction in comparison to last year, we consider this represents an excellent performance given the increasingly competitive market we are operating within.

**FUTURE DEVELOPMENTS**

The Company is committed to maintaining a strong Balance Sheet moving forward. Secured contracts and all related costs continue to be closely monitored by the Company, with turnover conservatively expected of £13.5m for the year ended 29th February 2016. Our excellent relationships with customers and suppliers will be maintained ensuring profitable contracts continue for the forthcoming periods.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Going Concern:**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review above. The company has adequate financial resources together with long term contracts with a number of suppliers and customers across different geographic areas and industries. The company aims to continue building upon its already successful reputation with a view to a longer term objective of increasing the company's overall value for the benefit of its shareholders. As a consequence the directors believe that the company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Commercial Relationships:**

The company benefits from close commercial relationships with a number of key clients and suppliers. The loss of any of these key clients or suppliers, or a significant worsening in commercial terms could have a detrimental effect on the company's results. In order to minimise this risk, the company recognises the need to devote significant resources to supporting these relationships in order to ensure that they do continue to operate satisfactorily.

**Competitor Risk:**

The company operates in a highly competitive market. Significant price competition could adversely affect the operating results. To mitigate this risk the company has a policy of continually monitoring and reviewing its cost base to ensure that it does remain competitive.

**Litigation and Investigations:**

The company is subject to a broad range of laws, regulations and standards. Non Compliance with any of these laws, regulations and standards could significantly damage the reputation and performance of the company. Rigorous quality control procedures are implemented and performed by the company on each contract in order to ensure that any such risks are minimised.

A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED

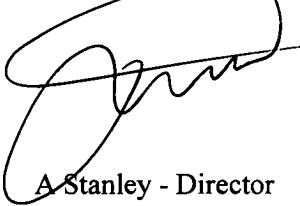
STRATEGIC REPORT  
FOR THE YEAR ENDED 28 FEBRUARY 2015

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**Credit Risk:**

The company derives a significant proportion of its revenue from sales to large multi-national companies. The failure of any such company to honour its debts could materially impact on the company's own working capital. Credit control procedures are in place that constantly monitor debtor balances and the company's cashflow position in order to flag up any likely problems before they arise.

**APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF:**

A stylized handwritten signature in black ink, appearing to read 'A Stanley', is written over the printed name.

A Stanley - Director

27 May 2015

A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED

REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 28 FEBRUARY 2015

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The directors present their report with the financial statements of the company for the year ended 28 February 2015.

**DIVIDENDS**

Based on the results for the year, dividends of £780,000 were declared and paid after 28 February 2015.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 March 2014 to the date of this report.

A Stanley  
I Cooper  
P Kennils  
N Kennedy

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED

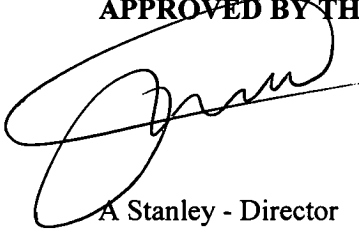
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 28 FEBRUARY 2015

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**AUDITORS**

The auditors, Malthouse & Company Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF:**

A stylized handwritten signature in black ink, appearing to read 'A Stanley', written over a horizontal line.

A Stanley - Director

27 May 2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED

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We have audited the financial statements of A & B ENGINEERING (Electrical Service Division) LIMITED for the year ended 28 February 2015 on pages eight to twenty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors 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 28 February 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 matter 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.



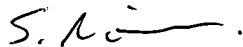
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED

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**Matters on which we are required to report by exception**

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

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



Samuel Evans BSc (Hons) ACA (Senior Statutory Auditor)  
for and on behalf of Malthouse & Company Chartered Accountants  
and Statutory Auditors  
America House, Rumford Court  
Rumford Place  
Liverpool  
Merseyside  
L3 9DD

Date: 5 JUNE 2015

**A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 28 FEBRUARY 2015**

	Notes	28.2.15 £	28.2.14 £
<b>TURNOVER</b>		15,269,112	12,106,057
Cost of sales		<u>13,052,388</u>	<u>9,957,209</u>
<b>GROSS PROFIT</b>		2,216,724	2,148,848
Administrative expenses		<u>594,506</u>	<u>548,299</u>
		1,622,218	1,600,549
Other operating income		<u>200</u>	<u>561</u>
<b>OPERATING PROFIT</b>	3	1,622,418	1,601,110
Interest receivable and similar income		<u>2,739</u>	<u>2,338</u>
		1,625,157	1,603,448
Interest payable and similar charges	4	<u>-</u>	<u>3,958</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,625,157	1,599,490
Tax on profit on ordinary activities	5	<u>344,456</u>	<u>386,230</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>1,280,701</u></u>	<u><u>1,213,260</u></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year.

A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED (REGISTERED NUMBER: 01179302)

BALANCE SHEET  
28 FEBRUARY 2015

	Notes	28.2.15 £	28.2.14 £
<b>FIXED ASSETS</b>			
Tangible assets	7	69,934	70,719
<b>CURRENT ASSETS</b>			
Stocks	8	41,327	171,247
Debtors	9	3,557,746	3,686,402
Cash at bank		<u>1,633,592</u>	<u>1,421,962</u>
		5,232,665	5,279,611
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>3,010,095</u>	<u>3,225,328</u>
<b>NET CURRENT ASSETS</b>		<u>2,222,570</u>	<u>2,054,283</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,292,504	2,125,002
<b>PROVISIONS FOR LIABILITIES</b>	12	<u>7,870</u>	<u>7,809</u>
<b>NET ASSETS</b>		<u>2,284,634</u>	<u>2,117,193</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	8,045	8,045
Share premium	14	405,205	405,205
Other reserves	14	41,748	41,748
Profit and loss account	14	<u>1,829,636</u>	<u>1,662,195</u>
<b>SHAREHOLDERS' FUNDS</b>	17	<u>2,284,634</u>	<u>2,117,193</u>

The financial statements were approved by the Board of Directors on 27 May 2015 and were signed on its behalf by:



I Cooper - Director

The notes form part of these financial statements

A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 28 FEBRUARY 2015

	Notes	28.2.15 £	28.2.14 £
<b>Net cash inflow from operating activities</b>	1	1,995,403	1,436,743
<b>Returns on investments and servicing of finance</b>	2	2,739	(1,620)
<b>Taxation</b>		(654,393)	(147,859)
<b>Capital expenditure</b>	2	(18,859)	(55,193)
<b>Equity dividends paid</b>		<u>(1,113,260)</u>	<u>-</u>
		211,630	1,232,071
<b>Financing</b>	2	<u>-</u>	<u>(233,332)</u>
<b>Increase in cash in the period</b>		<u>211,630</u>	<u>998,739</u>
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
Increase in cash in the period		211,630	998,739
Cash outflow from decrease in debt		<u>-</u>	<u>83,332</u>
Change in net funds resulting from cash flows		<u>211,630</u>	<u>1,082,071</u>
<b>Movement in net funds in the period</b>		211,630	1,082,071
<b>Net funds at 1 March</b>		<u>1,421,962</u>	<u>339,891</u>
<b>Net funds at 28 February</b>		<u>1,633,592</u>	<u>1,421,962</u>

The notes form part of these financial statements

A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 28 FEBRUARY 2015

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	28.2.15	28.2.14
	£	£
Operating profit	1,622,418	1,601,110
Depreciation charges	19,419	15,436
Loss on disposal of fixed assets	224	5,954
Decrease/(increase) in stocks	129,920	(139,164)
Decrease/(increase) in debtors	128,657	(1,408,461)
Increase in creditors	<u>94,765</u>	<u>1,361,868</u>
<b>Net cash inflow from operating activities</b>	<u><u>1,995,403</u></u>	<u><u>1,436,743</u></u>

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	28.2.15	28.2.14
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	2,739	2,338
Interest paid	<u>-</u>	<u>(3,958)</u>
<b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b>	<u><u>2,739</u></u>	<u><u>(1,620)</u></u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(18,859)	(71,332)
Sale of tangible fixed assets	<u>-</u>	<u>16,139</u>
<b>Net cash outflow for capital expenditure</b>	<u><u>(18,859)</u></u>	<u><u>(55,193)</u></u>
<b>Financing</b>		
Loan repayments in year	<u>-</u>	<u>(233,332)</u>
<b>Net cash outflow from financing</b>	<u><u>-</u></u>	<u><u>(233,332)</u></u>

The notes form part of these financial statements

A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 28 FEBRUARY 2015

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3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.3.14 £	Cash flow £	At 28.2.15 £
Net cash:			
Cash at bank	<u>1,421,962</u>	<u>211,630</u>	<u>1,633,592</u>
	<u>1,421,962</u>	<u>211,630</u>	<u>1,633,592</u>
 Total	 <u>1,421,962</u>	 <u>211,630</u>	 <u>1,633,592</u>

The notes form part of these financial statements

**A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2015**

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**1. ACCOUNTING POLICIES**

**ACCOUNTING CONVENTION**

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards, with the exception of Stocks (see below).

The company's business activities, together with factors likely to affect its future development, performance and position are set out in the Business Review in the Strategic Report. The company has adequate financial resources together with long term contracts with a number of suppliers and customers across different geographic areas and industries. As a consequence the directors believe that the company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

**TURNOVER AND LONG TERM CONTRACTS**

Turnover represents amounts invoiced to customers excluding value added tax, except in respect of long term contracting activities where turnover represents the estimated sales value of work done in the year, including amounts not invoiced, in accordance with the provisions of SSAP 9.

Long term contracts are assessed on a contract by contract basis. Provided the outcome of an individual contract can be estimated with reasonable certainty, turnover and related costs are recognised in the profit and loss account as the contract progresses based on the stage of completion of the contract and the overall contract profitability at the reporting date. The assessment of the stage of completion is dependant on the nature of the contract but will generally be based upon the final account value which is the figure agreed at the time with the contractor. Full provision is made for all known or expected losses to completion on individual contracts once such losses are foreseen.

**TANGIBLE FIXED ASSETS**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery                      - 25% on reducing balance and 20% on cost

Fixtures and fittings                      - 20% on cost

Motor vehicles                              - 25% on reducing balance

Tangible fixed assets are stated at historical cost less accumulated depreciation and any impairment losses.

**STOCKS AND WORK IN PROGRESS**

Stocks of raw materials are valued at current cost. Work in progress is valued at the lower of cost and estimated net realisable value. The cost of work in progress and finished goods comprises materials, direct and sub-contract labour and attributable production overheads. Net realisable value is based on estimated selling price less further costs to completion and distribution.

**DEFERRED TAX**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 28 FEBRUARY 2015

1. **ACCOUNTING POLICIES - continued**

**PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

The company operates a defined contribution pension scheme. Contributions payable in the year are charged in the profit and loss.

**OPERATING LEASES**

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

2. **STAFF COSTS**

Aggregate remuneration and related costs including directors was as follows:

	28.2.15	28.2.14
	£	£
Wages and salaries	4,352,293	3,067,203
Other pension costs	212,020	120,249
Employer's national insurance	<u>271,674</u>	<u>206,483</u>
	<u><u>4,835,987</u></u>	<u><u>3,393,935</u></u>

The average monthly number of employees during the year was as follows:

	28.2.15	28.2.14
Employees	102	72
Directors	<u>4</u>	<u>4</u>
	<u><u>106</u></u>	<u><u>76</u></u>

**DIRECTORS' EMOLUMENTS**

	28.2.15	28.2.14
	£	£
Directors' remuneration	141,258	203,758
Directors' pension contributions	138,041	72,484
Taxable benefits	<u>10,020</u>	<u>10,920</u>
	<u><u>289,319</u></u>	<u><u>287,162</u></u>

The number of directors to whom retirement benefits were accruing under a defined contribution pension scheme was 4 (2014: 4).



**A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 28 FEBRUARY 2015**

**3. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	28.2.15 £	28.2.14 £
Staff costs	4,835,987	3,393,935
Depreciation - owned assets	19,419	15,436
(Profit)/Loss on disposal of fixed assets	224	5,954
Auditors' remuneration	9,500	9,550
Auditors' remuneration for non audit services	10,288	7,780
Operating lease rentals- land and buildings	17,000	17,000
- other	<u>3,030</u>	<u>3,030</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	28.2.15 £	28.2.14 £
Loan	<u>-</u>	<u>3,958</u>

**5. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	28.2.15 £	28.2.14 £
Current tax:		
UK corporation tax	344,395	382,063
Deferred tax	<u>61</u>	<u>4,167</u>
Tax on profit on ordinary activities	<u>344,456</u>	<u>386,230</u>

A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 28 FEBRUARY 2015

5. **TAXATION - continued**

**FACTORS AFFECTING THE TAX CHARGE**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	28.2.15 £	28.2.14 £
Profit on ordinary activities before tax	<u>1,625,157</u>	<u>1,599,490</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.170% (2014 - 23.257%)	344,046	371,993
Effects of:		
Depreciation	4,111	3,590
Loss on disposal of assets	47	1,385
Disallowable expenditure	4,276	4,351
Timing differences	(3,178)	12,784
Capital Allowances	(4,907)	(9,188)
S455 tax charge	-	(2,852)
	<u>344,395</u>	<u>382,063</u>
Current tax charge	<u>344,395</u>	<u>382,063</u>
6. <b>DIVIDENDS</b>		
	28.2.15 £	28.2.14 £
Ordinary shares of £1 each		
Final	<u>1,113,260</u>	<u>-</u>

**A & B ENGINEERING  
(ELECTRICAL SERVICE DIVISION) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 28 FEBRUARY 2015**

**7. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 March 2014	54,333	42,128	54,947	151,408
Additions	4,416	14,443	-	18,859
Disposals	<u>(1,260)</u>	<u>(3,794)</u>	<u>-</u>	<u>(5,054)</u>
At 28 February 2015	<u>57,489</u>	<u>52,777</u>	<u>54,947</u>	<u>165,213</u>
<b>DEPRECIATION</b>				
At 1 March 2014	51,045	23,048	6,596	80,689
Charge for year	1,498	7,127	10,795	19,420
Eliminated on disposal	<u>(1,258)</u>	<u>(3,572)</u>	<u>-</u>	<u>(4,830)</u>
At 28 February 2015	<u>51,285</u>	<u>26,603</u>	<u>17,391</u>	<u>95,279</u>
<b>NET BOOK VALUE</b>				
At 28 February 2015	<u>6,204</u>	<u>26,174</u>	<u>37,556</u>	<u>69,934</u>
At 28 February 2014	<u>3,288</u>	<u>19,080</u>	<u>48,351</u>	<u>70,719</u>

**8. STOCKS**

	28.2.15 £	28.2.14 £
Raw materials	33,756	30,060
Work in progress	<u>7,571</u>	<u>141,187</u>
	<u>41,327</u>	<u>171,247</u>

**A & B ENGINEERING  
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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 28 FEBRUARY 2015**

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	28.2.15 £	28.2.14 £
Amounts falling due within one year:		
Trade debtors	1,031,133	653,738
Amounts recoverable on long-term contracts	2,319,169	2,624,902
Other debtors	207,444	345,435
	<u>3,557,746</u>	<u>3,624,075</u>
Amounts falling due after more than one year:		
Other debtors	-	62,327
	-	<u>62,327</u>
Aggregate amounts	<u><u>3,557,746</u></u>	<u><u>3,686,402</u></u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	28.2.15 £	28.2.14 £
Trade creditors	1,632,807	1,954,486
Tax	74,920	384,918
Social security and other taxes	82,899	86,404
VAT	358,981	161,885
Other creditors and accruals	108,804	120,453
Long-term contract costs accrued	751,684	517,182
	<u><u>3,010,095</u></u>	<u><u>3,225,328</u></u>

**11. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	28.2.15 £	28.2.14 £
Expiring:		
Within one year	-	2,020
Between one and five years	<u>5,945</u>	-
	<u><u>5,945</u></u>	<u><u>2,020</u></u>

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**12. PROVISIONS FOR LIABILITIES**

	28.2.15 £	28.2.14 £
Deferred Tax	7,870	7,809
	<u>7,870</u>	<u>7,809</u>

	Deferred Tax £
Balance at 1 March 2014	7,809
Movement	61
Balance at 28 February 2015	<u>7,870</u>

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			28.2.15	28.2.14
Number:	Class:	Nominal value:	£	£
8,045	Ordinary	£1	<u>8,045</u>	<u>8,045</u>

**14. RESERVES**

	Profit and loss account £	Share premium £	Other reserves £	Totals £
At 1 March 2014	1,662,195	405,205	41,748	2,109,148
Profit for the year	1,280,701			1,280,701
Dividends	<u>(1,113,260)</u>			<u>(1,113,260)</u>
At 28 February 2015	<u>1,829,636</u>	<u>405,205</u>	<u>41,748</u>	<u>2,276,589</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**15. RELATED PARTY DISCLOSURES**

Dividends paid in the year of £1,113,260 have been distributed to the shareholders who are also directors or key management of the company, in accordance with their shareholding. Part of the dividends were used to repay the outstanding loans to shareholders brought forward of £249,309.

Based on the results for the current year, dividends of £780,000 were declared and paid after 28 February 2015.

**16. ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party.

**17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	28.2.15	28.2.14
	£	£
Profit for the financial year	1,280,701	1,213,260
Dividends	<u>(1,113,260)</u>	<u>-</u>
<b>Net addition to shareholders' funds</b>	167,441	1,213,260
Opening shareholders' funds	<u>2,117,193</u>	<u>903,933</u>
<b>Closing shareholders' funds</b>	<u><u>2,284,634</u></u>	<u><u>2,117,193</u></u>