

A F SWITCHGEAR LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2012



LANGARD LIFFORD HALL LIMITED

Accountants and Statutory Auditors

Lifford Hall

Lifford Lane

Kings Norton

Birmingham

B30 3JN

A F SWITCHGEAR LIMITED
COMPANY INFORMATION

Incorporated

In England and Wales on 1 August 1974

The board of directors

I H Foster
J R Bosworth
M G Harris
R Thompson

Company secretary

J R Bosworth

Registered office

Nunn Brook Road
Sutton-in-Ashfield
Nottinghamshire
NG17 2HU

Auditor

Langard Lifford Hall Limited
Accountants and Statutory Auditors
Lifford Hall
Lifford Lane
Kings Norton
Birmingham
B30 3JN

Bankers

HSBC Bank Plc
1 King Street
Alfreton
Derbyshire
DE55 7DB

A F SWITCHGEAR LIMITED

THE DIRECTORS' REPORT

Year ended 31 December 2012

The directors present their report and financial statements of the company for the year ended 31 December 2012

Principal activities and business review

The principal activity of the company continues to be that of the design and manufacture of electrical switchgear and control panel systems

The company's balance sheet as detailed on page 6 shows a satisfactory position, with shareholders' funds amounting to £3,648,424

Following the drop in turnover during 2012, the company has seen increased activity during 2013 with expectations of a more profitable year

Future developments

The directors are monitoring the ongoing trading conditions and are confident of maintaining the company's market share during the forthcoming year

Results and dividends

The profit for the year, after taxation, amounted to £123,249 Particulars of dividends paid are detailed in note 8 to the financial statements

The company's key financial performance indicators during the year are as follows

	2012	2011
	£000	£000
Turnover	16,231	19,141
Gross profit %	22 15%	24 4%
Profit on ordinary activities before tax	221	1,908
Shareholder's funds	3,648	3,625

Financial risk management objectives and policies

The directors continually review the risks to the company but believe that the quality of the company's products and customer service will mitigate these risks, resulting in continued growth and satisfactory trading performance

Directors and their interests

The directors who served the company during the year together with their beneficial interests in the shares of the parent company were as follows

	Class of share	At 31 December 2012	At 1 January 2012
I H Foster	Ordinary	100	100
J R Bosworth		-	-
M G Harris		-	-
R Thompson		-	-

Donations

During the year the company made the following contributions

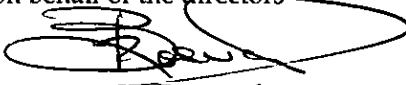
	2012	2011
	£	£
Charitable	5,751	3,317

Auditor

Langard Lifford Hall Limited are deemed to be re-appointed under Section 487(2) of the Companies Act 2006

Registered office
Nunn Brook Road
Sutton-in-Ashfield
Nottinghamshire
NG17 2HU

Signed on behalf of the directors


J.R. Bosworth,
Director
21 June 2013

A F SWITCHGEAR LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES****Year ended 31 December 2012**

The directors are responsible for preparing the 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office
Nunn Brook Road
Sutton-in-Ashfield
Nottinghamshire
NG17 2HU

Signed on behalf of the directors



J R Bosworth
Company Secretary
21 June 2013

A F SWITCHGEAR LIMITED
INDEPENDENT AUDITOR'S REPORT TO A F SWITCHGEAR LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of A F Switchgear Limited for the year ended 31 December 2012 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that Section.

Langard Lifford Hall Limited

K S CHAMBERS (Senior Statutory Auditor)
 For and on behalf of
 LANGARD LIFFORD HALL LIMITED
 Accountants and Statutory Auditors
 Lifford Hall
 Lifford Lane
 Kings Norton
 Birmingham
 B30 3JN

21 June 2013

A F SWITCHGEAR LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT

Year ended 31 December 2012

	Note	2012 £	2011 £
Turnover		16,231,332	19,140,638
Cost of sales		<u>12,636,013</u>	<u>14,476,068</u>
Gross profit		3,595,319	4,664,570
Administrative expenses		<u>3,360,473</u>	<u>2,927,496</u>
Operating profit	2	234,846	1,737,074
Income from shares in group undertakings	5	-	170,000
Interest receivable		2,872	16,722
Interest payable and similar charges	6	<u>(16,283)</u>	<u>(15,824)</u>
Profit on ordinary activities before taxation		221,435	1,907,972
Tax on profit on ordinary activities	7	<u>98,186</u>	<u>485,038</u>
Profit for the financial year		<u>123,249</u>	<u>1,422,934</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

The notes on pages 7 to 15 form part of these abbreviated accounts.

A F SWITCHGEAR LIMITED

ABBREVIATED BALANCE SHEET

31 December 2012

	Note	2012 £	2011 £
Fixed assets			
Intangible assets	9	-	-
Tangible assets	10	368,330	276,878
Investments	11	110	110
		<u>368,440</u>	<u>276,988</u>
Current assets			
Stocks	12	867,668	588,972
Debtors	13	4,565,451	3,917,185
Investments	14	31,000	-
Cash at bank and in hand		1,755,444	3,212,905
		<u>7,219,563</u>	<u>7,719,062</u>
Creditors: amounts falling due within one year	15	<u>3,755,075</u>	<u>4,146,734</u>
Net current assets		<u>3,464,488</u>	<u>3,572,328</u>
Total assets less current liabilities		<u>3,832,928</u>	<u>3,849,316</u>
Creditors: amounts falling due after more than one year	16	<u>184,504</u>	<u>224,141</u>
		<u>3,648,424</u>	<u>3,625,175</u>
Capital and reserves			
Called-up equity share capital	21	5,000	5,000
Profit and loss account	22	3,643,424	3,620,175
Shareholder's funds	23	<u>3,648,424</u>	<u>3,625,175</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors on 21 June 2013, and are signed on their behalf by



I H Foster
Director

The notes on pages 7 to 15 form part of these abbreviated accounts.

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

Cash flow statement

The directors have taken exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cashflow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cashflow statement

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, has taken exemption from preparing consolidated accounts on the basis that its parent company prepares consolidated accounts that are publicly available. Accordingly, the company has taken advantage of the exemption in FRS8 from disclosing transactions with members of the group

Turnover

The turnover shown in the profit and loss account represents the realisable value of work undertaken during the year, exclusive of Value Added tax

Amortisation

Amortisation 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

Patents - 10% pa straight line basis

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

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 and Machinery - 10-33 1/3% pa straight line basis
Motor Vehicles - 20-32 1/2% pa reducing balance basis

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Work in progress

Work in progress is stated at its realisable value based on the stage of completion

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2012

1. Accounting policies *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

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

Deferred tax is measured on an undiscounted basis at tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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.

Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoice amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2012

2. Operating profit

Operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Depreciation of owned fixed assets	16,025	16,013
Depreciation of assets held under hire purchase agreements	53,690	31,418
Loss on disposal of fixed assets	4,585	4,115
Auditor's remuneration		
- as auditor	16,991	17,500
- for other services	3,359	3,335
Operating lease costs		
- Plant and equipment	5,179	7,009
- Other	215,364	212,512
Net loss/(profit) on foreign currency translation	<u>51,392</u>	<u>(57,311)</u>

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2012	2011
	No	No
Number of production staff	58	51
Number of other staff	44	40
	<u>102</u>	<u>91</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	3,510,810	3,483,732
Social security costs	359,929	344,794
	<u>3,870,739</u>	<u>3,828,526</u>

4. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	425,910	462,355
Value of company pension contributions to money purchase schemes	13,677	13,661
	<u>439,587</u>	<u>476,016</u>

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

	2012	2011
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2012

5. Income from shares in group undertakings

	2012 £	2011 £
Income from group undertakings	<u>-</u>	<u>170,000</u>

6. Interest payable and similar charges

	2012 £	2011 £
Interest payable on bank borrowing	3,939	5,463
Finance charges	<u>12,344</u>	<u>10,361</u>
	<u>16,283</u>	<u>15,824</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
UK Corporation tax based on the results for the year at 24.23% (2011 - 26.49%)	98,185	485,062
Under/(Over) under provision in prior year	<u>1</u>	<u>(24)</u>
Total current tax	<u>98,186</u>	<u>485,038</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24.23% (2011 - 26.49%)

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>221,435</u>	<u>1,907,972</u>
Profit on ordinary activities by rate of tax	53,654	505,422
Expenses not deductible for tax purposes	51,027	209
Capital allowances for period in excess of depreciation	(6,513)	(20,626)
Adjustments to tax charge in respect of previous periods	1	(24)
Sundry tax adjusting items	<u>17</u>	<u>57</u>
Total current tax (note 7(a))	<u>98,186</u>	<u>485,038</u>

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2012

8. Dividends

Equity dividends

	2012 £	2011 £
Final dividends paid on ordinary shares	<u>100,000</u>	<u>888,000</u>

9. Intangible fixed assets

	Patents £
Cost	
At 1 January 2012 and 31 December 2012	<u>3,247</u>
Amortisation	
At 1 January 2012 and 31 December 2012	<u>3,247</u>
Net book value	
At 31 December 2012	<u>-</u>
At 31 December 2011	<u>-</u>

10. Tangible fixed assets

	Plant & Machinery £	Motor Vehicles £	Total £
Cost			
At 1 January 2012	316,921	127,065	443,986
Additions	178,799	33,395	212,194
Disposals	(41,938)	(52,576)	(94,514)
At 31 December 2012	<u>453,782</u>	<u>107,884</u>	<u>561,666</u>
Depreciation			
At 1 January 2012	79,439	87,669	167,108
Charge for the year	49,101	20,614	69,715
On disposals	(1,942)	(41,545)	(43,487)
At 31 December 2012	<u>126,598</u>	<u>66,738</u>	<u>193,336</u>
Net book value			
At 31 December 2012	<u>327,184</u>	<u>41,146</u>	<u>368,330</u>
At 31 December 2011	<u>237,482</u>	<u>39,396</u>	<u>276,878</u>

Hire purchase agreements

Included within the net book value of £368,330 is £335,348 (2011 - £207,929) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £53,690 (2011 - £31,418)

Capital commitments

	2012 £	2011 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>174,000</u>

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2012

11. Investments

	Investment in subsidiary undertakings £
Cost	
At 1 January 2012 and 31 December 2012	<u>110</u>
Net book value	
At 31 December 2012 and 31 December 2011	<u>110</u>

Investments represents the cost of acquisition of shares of the following subsidiary undertakings

Name and Activity		Proportion of shares held	Country of incorporation
A F Switchgear Services Limited	Dormant	100%	England
A F Fabrications Limited	Fabrication of electrical switchgear and control panel systems	100%	England
A F Technical Services Limited	Dormant	100%	England

12. Stocks

	2012 £	2011 £
Raw materials	97,494	270,180
Work in progress	770,174	318,792
	<u>867,668</u>	<u>588,972</u>

13. Debtors

	2012 £	2011 £
Trade debtors	4,535,224	3,887,900
Prepayments and accrued income	30,227	29,285
	<u>4,565,451</u>	<u>3,917,185</u>

14. Investments

	2012 £	2011 £
Available-for-sale investments	<u>31,000</u>	<u>-</u>

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2012

15. Creditors: amounts falling due within one year

	2012	2011
	£	£
Bank loans	76,404	74,892
Trade creditors	2,841,947	2,726,961
Amounts owed to group undertakings	190,965	106,877
Corporation tax	98,156	485,059
Other taxation and social security	313,485	508,531
Hire purchase agreements	86,985	55,408
Accruals and deferred income	147,133	189,006
	<u>3,755,075</u>	<u>4,146,734</u>

The following liabilities disclosed under creditors falling due within one year are secured by a legal charge on certain assets of the company

	2012	2011
	£	£
Bank loans	76,404	74,892
Hire purchase agreements	86,985	55,408
	<u>163,389</u>	<u>130,300</u>

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

	2012	2011
	£	£
Bank loans	78,673	155,757
Hire purchase agreements	105,831	68,384
	<u>184,504</u>	<u>224,141</u>

The following liabilities disclosed under creditors falling due within one year are secured by a legal charge on certain assets of the company

	2012	2011
	£	£
Bank loans	78,673	155,757
Hire purchase agreements	105,831	68,384
	<u>184,504</u>	<u>224,141</u>

Bank and other borrowing

The bank borrowing is secured by fixed and floating debenture charges against the company's assets and against the freehold property owned by A F Switchgear (Holdings) Limited. The aggregate amount of secured liabilities amounted to £347,893 at the balance sheet date (2011: £354,441).

There is a multilateral guarantee in place between A F Switchgear (Holdings) Limited, A F Switchgear Limited and A F Fabrications Limited in favour of HSBC bank plc.

Repayments are made monthly, inclusive of interest, over a twelve year term. The interest rate is 1.5% above the bank's base rate.

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2012

17. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	2012	2011
	£	£
Amounts payable within 1 year	(86,985)	(55,408)
Amounts payable between 2 to 5 years	(105,831)	(68,384)
	<u>(192,816)</u>	<u>(123,792)</u>

18. Pensions

Defined contribution pension scheme

The company operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £29,759 (2011 £29,867)

19. Deferred taxation

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>46,065</u>	<u>41,557</u>

Deferred taxation is based on a corporation tax rate of 25% (2011 26%)

20. Commitments under operating leases

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land and buildings	Other Items	Land and buildings	Other Items
	£	£	£	£
Operating leases which expire				
Within 1 year	6,400	5,497	15,360	-
Within 2 to 5 years	<u>200,000</u>	<u>70,745</u>	<u>200,000</u>	<u>84,598</u>
	<u>206,400</u>	<u>76,242</u>	<u>215,360</u>	<u>84,598</u>

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2012

21. Share capital

Authorised share capital:

	2012	2011
	£	£
2,500 Ordinary "A" shares of £1 each	2,500	2,500
2,500 Ordinary "B" shares of £1 each	2,500	2,500
	<u>5,000</u>	<u>5,000</u>

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
2,500 Ordinary "A" shares of £1 each	2,500	2,500	2,500	2,500
2,500 Ordinary "B" shares of £1 each	2,500	2,500	2,500	2,500
	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

22. Profit and loss account

	2012	2011
	£	£
Balance brought forward	3,620,175	3,085,241
Profit for the financial year	123,249	1,422,934
Equity dividends	(100,000)	(888,000)
Balance carried forward	<u>3,643,424</u>	<u>3,620,175</u>

23. Reconciliation of movements in shareholder's funds

	2012	2011
	£	£
Profit for the financial year	123,249	1,422,934
Equity dividends	(100,000)	(888,000)
Net addition to shareholder's funds	23,249	534,934
Opening shareholder's funds	3,625,175	3,090,241
Closing shareholder's funds	<u>3,648,424</u>	<u>3,625,175</u>

24. Ultimate parent company

The ultimate parent company is A F Switchgear (Holdings) Limited, a company registered in England and Wales