

COMPANY REGISTRATION NUMBER: 01179371

A F SWITCHGEAR LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015

LANGARD LIFFORD HALL LIMITED

Accountants and Registered Auditors

Lifford Hall
Lifford Lane
Kings Norton
Birmingham
B30 3JN



A F SWITCHGEAR LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

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A F SWITCHGEAR LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

I H Foster
M G Harris
R Thompson
M S Slack

Company secretary

M S Slack

Registered office

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

Accountants

Langard Lifford Hall Limited
Accountants and Registered 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

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2015

The company's balance sheet as detailed on page 8 shows a satisfactory position, with shareholders' funds amounting to £6,296,881.

The company has seen a slight increase in turnover during the year ended 2015 and with improved margins on contracts, improved trading profits have resulted. The directors are monitoring the ongoing trading conditions and are confident that 2016 will see the company maintain its market share and profitability.


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

	2015 (£000)	2014 (£000)
	£	£
Turnover	26,070	22,638
Gross profit %	30	28
Profit on ordinary activities before tax	3,763	2,563
Shareholder's funds	6,297	5,207

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.

This report was approved by the board of directors on 16 June 2016 and signed on behalf of the board by:



I H Foster
Director

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

A F SWITCHGEAR LIMITED**DIRECTORS' REPORT****YEAR ENDED 31 DECEMBER 2015**

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

Directors

The directors who served the company during the year were as follows:

I H Foster
M G Harris
R Thompson
M S Slack

Dividends

Particulars of recommended dividends are detailed in note 10 to the financial statements.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 16 June 2016 and signed on behalf of the board by:



I H Foster
Director

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

A F SWITCHGEAR LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2015

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 the profit or loss of the company for that period.

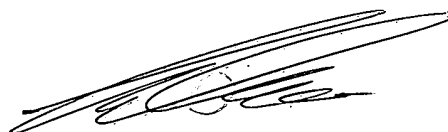
In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

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

Signed on behalf of the directors



I H Foster
Director
16 June 2016

A F SWITCHGEAR LIMITED

INDEPENDENT AUDITOR'S REPORT TO A F SWITCHGEAR LIMITED under Section 449 of the Companies act 2006

YEAR ENDED 31 DECEMBER 2015

We have examined the abbreviated financial statements which comprise the abbreviated statement of comprehensive income, statement of financial position, statement of cash flows and the related notes, together with the financial statements of A F Switchgear Limited for the year ended 31 December 2015 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company's shareholder 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 shareholder those matters we are required to state to them in an auditors 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

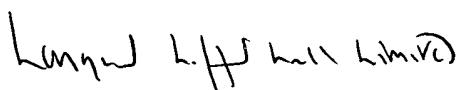
Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated financial statements 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 financial statements to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that Section and to report our opinion to you.

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 financial statements and that the abbreviated financial statements to be delivered are properly prepared.

Opinion

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



K S Chambers (Senior Statutory Auditor)

For and on behalf of
Langard Lifford Hall Limited
Accountants and Registered Auditors
Lifford Hall
Lifford Lane
Kings Norton
Birmingham
B30 3JN

16 June 2016

A F SWITCHGEAR LIMITED
ABBREVIATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Turnover	2	26,070,449	22,638,116
Cost of sales and other operating income		18,176,202	16,354,150
Administrative expenses		<u>4,431,668</u>	<u>3,903,660</u>
Operating profit	3	3,462,579	2,380,306
Income from shares in group undertakings	7	300,000	200,000
Other interest receivable and similar income		5,623	4,889
Interest payable and similar charges	8	<u>5,027</u>	<u>22,620</u>
Profit on ordinary activities before taxation		3,763,175	2,562,575
Tax on profit on ordinary activities	9	<u>673,488</u>	<u>520,489</u>
Profit for the financial year and total comprehensive income		<u><u>3,089,687</u></u>	<u><u>2,042,086</u></u>

All the activities of the company are from continuing operations.

The notes on pages 9 to 17 form part of these financial statements.

A F SWITCHGEAR LIMITED
STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	12	348,225	298,682
Investments	13	110	110
		<u>348,335</u>	<u>298,792</u>
Current assets			
Stocks	14	1,053,837	1,385,061
Debtors	15	11,876,002	6,699,337
Investments	16	37,331	37,331
Cash at bank and in hand		3,613,115	2,745,224
		<u>16,580,285</u>	<u>10,866,953</u>
Creditors: amounts falling due within one year	17	<u>10,584,514</u>	<u>5,920,270</u>
Net current assets		<u>5,995,771</u>	<u>4,946,683</u>
Total assets less current liabilities		<u>6,344,106</u>	<u>5,245,475</u>
Creditors: amounts falling due after more than one year	18	<u>47,225</u>	<u>38,281</u>
Net assets		<u><u>6,296,881</u></u>	<u><u>5,207,194</u></u>
Capital and reserves			
Called up share capital	20	5,000	5,000
Profit and loss account	21	6,291,881	5,202,194
Shareholder funds		<u><u>6,296,881</u></u>	<u><u>5,207,194</u></u>

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

These abbreviated financial statements were approved by the board of directors and authorised for issue on 16 June 2016, and are signed on behalf of the board by:



I H Foster
Director

Company registration number: 01179371

The notes on pages 9 to 17 form part of these financial statements.

A F SWITCHGEAR LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2015

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	3,089,687	2,042,086
<i>Adjustments for:</i>		
Depreciation of tangible assets	115,436	46,491
Income from shares in group undertakings	(300,000)	(200,000)
Other interest receivable and similar income	(5,623)	(4,889)
Interest payable and similar charges	5,027	22,620
Gains on disposal of tangible assets	(5,968)	(54,258)
Tax on profit on ordinary activities	673,488	520,489
Accrued expenses	57,834	148,329
<i>Changes in:</i>		
Stocks	331,224	(922,902)
Trade and other debtors	(5,176,665)	605,182
Trade and other creditors	3,185,465	(575,855)
Cash generated from operations	1,969,905	1,627,293
Interest paid	(5,027)	(22,620)
Interest received	5,623	4,889
Tax paid	(504,509)	(649,343)
Net cash from operating activities	<u>1,465,992</u>	<u>960,219</u>
Cash flows from investing activities		
Purchase of tangible assets	(234,090)	(151,831)
Proceeds from sale of tangible assets	75,079	192,139
Dividends received	300,000	200,000
Net cash from investing activities	<u>140,989</u>	<u>240,308</u>
Cash flows from financing activities		
Proceeds from borrowings	36,976	(77,592)
Proceeds from loans from group undertakings	1,233,566	1,298,003
Payments of finance lease liabilities	(9,632)	(35,685)
Dividends paid	(2,000,000)	(1,000,000)
Net cash (used in)/from financing activities	<u>(739,090)</u>	<u>184,726</u>
Net increase in cash and cash equivalents	867,891	1,385,253
Cash and cash equivalents at beginning of year	2,745,224	1,359,971
Cash and cash equivalents at end of year	<u>3,613,115</u>	<u>2,745,224</u>

The notes on pages 9 to 17 form part of these financial statements.

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 24.

Revenue recognition

The turnover shown in the profit and loss account represents the realisable value of goods and services provided during the year, exclusive of Value Added Tax.

Income tax

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.

Amortisation

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

Patents - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2015

1. Accounting policies *(continued)*

Depreciation

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

Plant and machinery	-	10 - 33.3% Straight line
Motor vehicles	-	20 - 32.5% Reducing balance
Equipment - R&D	-	20% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2015

2. Turnover

Turnover arises from:

	2015	2014
	£	£
Sale of goods	<u>26,070,449</u>	<u>22,638,116</u>

3. Operating profit

Operating profit or loss is stated after charging:

	2015	2014
	£	£
Depreciation of tangible assets	115,436	46,491
Gains on disposal of tangible assets	(5,968)	(54,258)
Foreign exchange differences	<u>26,432</u>	<u>18,461</u>

4. Auditor's remuneration

	2015	2014
	£	£
Fees payable for the audit of the financial statements	<u>17,775</u>	<u>16,051</u>

5. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2015	2014
	No	No
Production staff	65	64
Number of other staff	51	49
	<u>116</u>	<u>113</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2015	2014
	£	£
Wages and salaries	<u>5,617,107</u>	<u>4,839,941</u>

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2015

6. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2015	2014
	£	£
Remuneration	741,441	530,364
Company contributions to defined contribution pension plans	22,992	18,785
	<u>764,433</u>	<u>549,149</u>

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

	2015	2014
	No	No
Defined contribution plans	<u>3</u>	<u>3</u>

Remuneration of the highest paid director in respect of qualifying services:

	2015	2014
	£	£
Aggregate remuneration	226,315	140,509
Company contributions to defined contribution pension plans	7,729	3,741
	<u>234,044</u>	<u>144,250</u>

7. Income from shares in group undertakings

	2015	2014
	£	£
Income from group undertakings	<u>300,000</u>	<u>200,000</u>

8. Interest payable and similar charges

	2015	2014
	£	£
Interest on banks loans and overdrafts	-	1,471
Interest on obligations under finance leases and hire purchase contracts	5,027	21,149
	<u>5,027</u>	<u>22,620</u>

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2015

9. Tax on profit on ordinary activities

Major components of tax expense

	2015 £	2014 £
Current tax:		
UK current tax expense	733,268	520,260
Adjustments in respect of prior periods	(59,780)	229
Total current tax	<u>673,488</u>	<u>520,489</u>
Tax on profit on ordinary activities	<u>673,488</u>	<u>520,489</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%).

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>3,763,175</u>	<u>2,562,575</u>
Profit on ordinary activities by rate of tax	701,236	550,778
Adjustment to tax charge in respect of prior periods	(59,780)	322
Effect of expenses not deductible for tax purposes	32,952	(9,991)
Effect of capital allowances and depreciation	(920)	(20,620)
Tax on profit on ordinary activities	<u>673,488</u>	<u>520,489</u>

10. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2015 £	2014 £
Final dividends paid on ordinary shares	<u>2,000,000</u>	<u>1,000,000</u>

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2015

11. Intangible assets

	Patent costs £
Cost	
At 1 Jan 2015 and 31 Dec 2015	<u>3,247</u>
Amortisation	
At 1 Jan 2015 and 31 Dec 2015	<u>3,247</u>
Carrying amount	
At 31 December 2015	<u>-</u>

12. Tangible assets

	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 January 2015	442,760	143,974	-	586,734
Additions	83,274	111,171	39,645	234,090
Disposals	(63,708)	(63,240)	-	(126,948)
At 31 December 2015	<u>462,326</u>	<u>191,905</u>	<u>39,645</u>	<u>693,876</u>
Depreciation				
At 1 January 2015	188,214	99,838	-	288,052
Charge for the year	73,038	38,822	3,576	115,436
Disposals	-	(57,837)	-	(57,837)
At 31 December 2015	<u>261,252</u>	<u>80,823</u>	<u>3,576</u>	<u>345,651</u>
Carrying amount				
At 31 December 2015	<u>201,074</u>	<u>111,082</u>	<u>36,069</u>	<u>348,225</u>
At 31 December 2014	<u>254,546</u>	<u>44,136</u>	<u>-</u>	<u>298,682</u>

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £	Motor vehicles £	Total £
At 31 December 2015	<u>113,670</u>	<u>32,793</u>	<u>146,463</u>
At 31 December 2014	<u>117,463</u>	<u>27,778</u>	<u>145,241</u>

Capital commitments

	2015 £	2014 £
Contracted for but not provided for in the financial statements	<u>133,899</u>	<u>40,404</u>

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2015

13. Investments

	Shares in group undertakings £
Cost	
At 1 Jan 2015 and 31 Dec 2015	<u>110</u>
Impairment	
At 1 Jan 2015 and 31 Dec 2015	<u>-</u>
Carrying amount	
At 31 December 2015	<u>110</u>

14. Stocks

	2015 £	2014 £
Raw materials and consumables	375,602	379,789
Work in progress	678,235	1,005,272
	<u>1,053,837</u>	<u>1,385,061</u>

15. Debtors

	2015 £	2014 £
Trade debtors	11,519,239	6,497,684
Prepayments and accrued income	356,763	201,653
	<u>11,876,002</u>	<u>6,699,337</u>

16. Investments

	2015 £	2014 £
Other investments	<u>37,331</u>	<u>37,331</u>

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2015

17. Creditors: amounts falling due within one year

	2015	2014
	£	£
Bank loans and overdrafts	15,909	-
Trade creditors	5,716,558	3,548,530
Amounts owed to group undertakings	2,531,569	1,298,003
Accruals and deferred income	450,985	393,151
Corporation tax	479,239	310,260
Social security and other taxes	1,344,759	327,322
Obligations under finance leases and hire purchase contracts	45,495	43,004
	<u>10,584,514</u>	<u>5,920,270</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 falling due within one year amounted to £61,404 at the balance sheet date (2014: £43,004).

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.

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

	2015	2014
	£	£
Bank loans and overdrafts	21,067	-
Obligations under finance leases and hire purchase contracts	26,158	38,281
	<u>47,225</u>	<u>38,281</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 falling due after more than one year amounted to £47,225 at the balance sheet date (2014: £38,281).

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.

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2015	2014
	£	£
Not later than 1 year	45,495	43,004
Later than 1 year and not later than 5 years	26,158	38,281
	<u>71,653</u>	<u>81,285</u>

A F SWITCHGEAR LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2015

20. Called up share capital

Authorised share capital

	2015		2014	
	No	£	No	£
Ordinary "A" shares of £1 each	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>

Issued, called up and fully paid

	2015		2014	
	No	£	No	£
Ordinary "A" shares of £1 each	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>

21. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

22. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
	£	£
Not later than 1 year	204,350	180,781
Later than 1 year and not later than 5 years	560,685	488,011
Later than 5 years	700,000	800,000
	<u>1,465,035</u>	<u>1,468,792</u>

23. Controlling party

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

24. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.