

COMPANY REGISTRATION NUMBER: 01179371

A F SWITCHGEAR LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016

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COMPANIES HOUSE

LANGARD LIFFORD HALL LIMITED

Accountants and Registered Auditors

Lifford Hall
Lifford Lane
Kings Norton
Birmingham
B30 3JN

A F SWITCHGEAR LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

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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

Auditor

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 2016

The company's balance sheet as detailed on page 8 shows a satisfactory position, with shareholders' funds amounting to £6,532,978.

The company has seen a slight increase in turnover during the year ended 2016, but with pressured margins on contracts in the latter half of the financial year, as well as increased overheads, lower trading profits have resulted. The directors are monitoring the ongoing trading conditions and are confident that 2017 will see the company improve its market share and profitability.

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

	2016 (£000)	2015 (£000)
	£	£
Turnover	26,319	26,065
Gross profit %	28	31
Profit on ordinary activities before tax	2,452	3,763
Shareholder's funds	6,533	6,297

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.

Future developments

Shortly after the year end, the group acquired 100% of the issued share capital of Preedcrete Limited, a UK registered company that specialises in the installation of busbar systems. This strategic acquisition will allow the group to offer bespoke busbar systems to new and existing customers.

This report was approved by the board of directors on 15 June 2017 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 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

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 13 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 15 June 2017 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 2016

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.

A F SWITCHGEAR LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
A F SWITCHGEAR LIMITED
YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of A F Switchgear Limited for the year ended 31 December 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

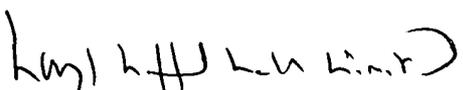
Opinion on other matter prescribed by the companies act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.


 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

15 June 2017

A F SWITCHGEAR LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover	4	26,319,350	26,065,015
Cost of sales		<u>19,081,166</u>	<u>18,113,789</u>
Gross profit		7,238,184	7,951,226
Administrative expenses		<u>5,077,597</u>	<u>4,488,647</u>
Operating profit	5	2,160,587	3,462,579
Income from shares in group undertakings	9	300,000	300,000
Other interest receivable and similar income	10	6,366	5,623
Interest payable and similar expenses	11	<u>14,917</u>	<u>5,027</u>
Profit before taxation		2,452,036	3,763,175
Tax on profit	12	<u>465,939</u>	<u>673,488</u>
Profit for the financial year and total comprehensive income		<u>1,986,097</u>	<u>3,089,687</u>
Dividends paid and payable	13	(1,750,000)	(2,000,000)
Retained earnings at the start of the year		<u>6,291,881</u>	<u>5,202,194</u>
Retained earnings at the end of the year		<u>6,527,978</u>	<u>6,291,881</u>

All the activities of the company are from continuing operations.

The notes on pages 9 to 18 form part of these financial statements.

A F SWITCHGEAR LIMITED
STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2016

	Note	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	15		222,427		348,225
Investments	16		110		110
			<u>222,537</u>		<u>348,335</u>
Current assets					
Stocks	17	1,656,676		1,053,837	
Debtors	18	7,909,541		11,876,002	
Investments	19	37,331		37,331	
Cash at bank and in hand		6,874,628		3,613,115	
		<u>16,478,176</u>		<u>16,580,285</u>	
Creditors: amounts falling due within one year	20		<u>9,853,279</u>		<u>10,584,514</u>
Net current assets			<u>6,624,897</u>		<u>5,995,771</u>
Total assets less current liabilities			<u>6,847,434</u>		<u>6,344,106</u>
Creditors: amounts falling due after more than one year	21		<u>314,456</u>		<u>47,225</u>
Net assets			<u><u>6,532,978</u></u>		<u><u>6,296,881</u></u>
Capital and reserves					
Called up share capital	24		5,000		5,000
Profit and loss account	25		6,527,978		6,291,881
Member funds			<u><u>6,532,978</u></u>		<u><u>6,296,881</u></u>

These financial statements were approved by the board of directors and authorised for issue on 15 June 2017, and are signed on behalf of the board by:



I H Foster
 Director

Company registration number: 01179371

The notes on pages 9 to 18 form part of these financial statements.

A F SWITCHGEAR LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£	£
Cash flows from operating activities		
Profit for the financial year	1,986,097	3,089,687
<i>Adjustments for:</i>		
Depreciation of tangible assets	86,153	115,436
Income from shares in group undertakings	(300,000)	(300,000)
Other interest receivable and similar income	(6,366)	(5,623)
Interest payable and similar expenses	14,917	5,027
Loss/(gains) on disposal of tangible assets	9,022	(5,968)
Tax on profit	465,939	673,488
Accrued (income)/expenses	(11,196)	57,834
<i>Changes in:</i>		
Stocks	(602,839)	331,224
Trade and other debtors	3,966,461	(5,176,665)
Trade and other creditors	(733,791)	3,185,465
Cash generated from operations	<u>4,874,397</u>	<u>1,969,905</u>
Interest paid	(14,917)	(5,027)
Interest received	6,366	5,623
Tax paid	(629,305)	(504,509)
Net cash from operating activities	<u>4,236,541</u>	<u>1,465,992</u>
Cash flows from investing activities		
Purchase of tangible assets	(417,058)	(234,090)
Proceeds from sale of tangible assets	447,681	75,079
Dividends received	300,000	300,000
Net cash from investing activities	<u>330,623</u>	<u>140,989</u>
Cash flows from financing activities		
Proceeds from borrowings	310,083	36,976
Proceeds from loans from group undertakings	176,555	1,233,566
Payments of finance lease liabilities	(42,289)	(9,632)
Dividends paid	(1,750,000)	(2,000,000)
Net cash used in financing activities	<u>(1,305,651)</u>	<u>(739,090)</u>
Net increase in cash and cash equivalents	3,261,513	867,891
Cash and cash equivalents at beginning of year	3,613,115	2,745,224
Cash and cash equivalents at end of year	<u>6,874,628</u>	<u>3,613,115</u>

The notes on pages 9 to 18 form part of these financial statements.

A F SWITCHGEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Nunn Brook Road, Sutton-in-Ashfield, Nottinghamshire, NG17 2HU.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. 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.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

The turnover shown in the profit and loss account represents the realisable value of goods and services rendered during the year, net of discounts and 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.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

A F SWITCHGEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

3. Accounting policies *(continued)*

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.

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

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.

A F SWITCHGEAR LIMITED**NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2016****3. Accounting policies** *(continued)***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 FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

3. Accounting policies *(continued)*

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 invoiced 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.

4. Turnover

Turnover arises from:

	2016	2015
	£	£
Sale of goods	<u>26,319,350</u>	<u>26,065,015</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2016	2015
	£	£
United Kingdom	26,212,881	25,712,586
Overseas	<u>106,469</u>	<u>352,429</u>
	<u>26,319,350</u>	<u>26,065,015</u>

5. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	86,153	115,436
Loss/(gains) on disposal of tangible assets	9,022	(5,968)
Impairment of trade debtors	127,046	(18,874)
Foreign exchange differences	<u>(19,737)</u>	<u>26,432</u>

A F SWITCHGEAR LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

6. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>17,650</u>	<u>17,775</u>

7. Staff costs

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

	2016	2015
	No	No
Production staff	72	65
Number of other staff	57	49
	<u>129</u>	<u>114</u>

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

	2016	2015
	£	£
Wages and salaries	<u>6,222,008</u>	<u>5,617,107</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	847,015	741,441
Company contributions to defined contribution pension plans	25,038	22,992
	<u>872,053</u>	<u>764,433</u>

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

	2016	2015
	No	No
Defined contribution plans	<u>4</u>	<u>4</u>

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

	2016	2015
	£	£
Aggregate remuneration	374,570	226,315
Company contributions to defined contribution pension plans	7,961	7,729
	<u>382,531</u>	<u>234,044</u>

A F SWITCHGEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

9. Income from shares in group undertakings		
	2016	2015
	£	£
Income from group undertakings	<u>300,000</u>	<u>300,000</u>
10. Other interest receivable and similar income		
	2016	2015
	£	£
Interest on cash and cash equivalents	<u>6,366</u>	<u>5,623</u>
11. Interest payable and similar expenses		
	2016	2015
	£	£
Interest on banks loans and overdrafts	6,772	-
Interest on obligations under finance leases and hire purchase contracts	<u>8,145</u>	<u>5,027</u>
	<u>14,917</u>	<u>5,027</u>
12. Tax on profit		
Major components of tax expense		
	2016	2015
	£	£
Current tax:		
UK current tax expense	468,248	733,268
Adjustments in respect of prior periods	(2,309)	(59,780)
Total current tax	<u>465,939</u>	<u>673,488</u>
Tax on profit	<u>465,939</u>	<u>673,488</u>
Reconciliation of tax expense		
The tax assessed on the profit on ordinary activities for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).		
	2016	2015
	£	£
Profit on ordinary activities before taxation	<u>2,452,036</u>	<u>3,763,175</u>
Profit on ordinary activities by rate of tax	490,407	761,976
Adjustment to tax charge in respect of prior periods	(2,309)	(59,780)
Effect of expenses not deductible for tax purposes	21,249	32,952
Effect of capital allowances and depreciation	24,617	(920)
Effect of revenue exempt from tax	(60,000)	(60,740)
Utilisation of tax losses	(8,025)	-
Tax on profit	<u>465,939</u>	<u>673,488</u>

A F SWITCHGEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

13. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):	2016	2015
	£	£
Final dividends paid on ordinary shares	<u>1,750,000</u>	<u>2,000,000</u>

14. Intangible assets

	Development costs
	£
Cost	
At 1 Jan 2016 and 31 Dec 2016	<u>3,247</u>
Amortisation	
At 1 Jan 2016 and 31 Dec 2016	<u>3,247</u>
Carrying amount	
At 31 December 2016	<u>-</u>

15. Tangible assets

	Plant and machinery	Motor vehicles	Equipment	Total
	£	£	£	£
Cost				
At 1 January 2016	462,326	191,905	39,645	693,876
Additions	411,118	-	5,940	417,058
Disposals	(411,118)	-	(45,585)	(456,703)
At 31 December 2016	<u>462,326</u>	<u>191,905</u>	<u>-</u>	<u>654,231</u>
Depreciation				
At 1 January 2016	264,828	80,823	-	345,651
Charge for the year	50,051	36,102	-	86,153
At 31 December 2016	<u>314,879</u>	<u>116,925</u>	<u>-</u>	<u>431,804</u>
Carrying amount				
At 31 December 2016	<u>147,447</u>	<u>74,980</u>	<u>-</u>	<u>222,427</u>
At 31 December 2015	<u>197,498</u>	<u>111,082</u>	<u>39,645</u>	<u>348,225</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 2016	<u>90,285</u>	<u>14,789</u>	<u>105,074</u>
At 31 December 2015	<u>113,670</u>	<u>32,793</u>	<u>146,463</u>
Capital commitments			
		2016	2015
		£	£
Contracted for but not provided for in the financial statements		<u>-</u>	<u>133,899</u>

A F SWITCHGEAR LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

16. Investments

	Shares in group undertaking s £
Cost	
At 1 Jan 2016 and 31 Dec 2016	110
Impairment	
At 1 Jan 2016 and 31 Dec 2016	-
Carrying amount	
At 31 December 2016	110

17. Stocks

	2016	2015
	£	£
Raw materials and consumables	526,813	375,602
Work in progress	1,129,863	678,235
	1,656,676	1,053,837

18. Debtors

	2016	2015
	£	£
Trade debtors	7,667,782	11,519,239
Prepayments and accrued income	241,759	356,763
	7,909,541	11,876,002

19. Investments

	2016	2015
	£	£
Other investments	37,331	37,331
	37,331	37,331

A F SWITCHGEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

20. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	47,331	15,909
Trade creditors	5,672,149	5,716,558
Amounts owed to group undertakings	2,708,124	2,531,569
Accruals and deferred income	439,789	450,985
Corporation tax	315,873	479,239
Social security and other taxes	655,377	1,344,759
Obligations under finance leases and hire purchase contracts	14,636	45,495
	9,853,279	10,584,514

Bank and other borrowing

The aggregate amount of secured liabilities falling due within one year amounted to £61,967 at the balance sheet date (2015: £61,404).

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. There is also 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.

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

	2016	2015
	£	£
Bank loans and overdrafts	299,728	21,067
Obligations under finance leases and hire purchase contracts	14,728	26,158
	314,456	47,225

Bank and other borrowing

The aggregate amount of secured liabilities falling due after more than one year amounted to £314,456 at the balance sheet date (2015: £47,225).

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. There is also 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.

22. Finance leases and hire purchase contracts

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

	2016	2015
	£	£
Not later than 1 year	14,636	45,495
Later than 1 year and not later than 5 years	14,728	26,158
	29,364	71,653

A F SWITCHGEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

23. **Financial instruments**

The carrying amount for each category of financial instrument is as follows:

	2016	2015
	£	£
Financial assets measured at fair value through profit or loss		
Financial assets measured at fair value through profit or loss	<u>7,667,782</u>	<u>11,519,239</u>
Financial liabilities measured at fair value through profit or loss		
Financial liabilities measured at fair value through profit or loss	<u>5,672,149</u>	<u>5,716,558</u>

24. **Called up share capital**

Authorised share capital	2016		2015	
	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	2016		2015	
	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>

25. **Reserves**

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

26. **Operating leases**

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

	2016	2015
	£	£
Not later than 1 year	211,757	204,350
Later than 1 year and not later than 5 years	512,135	560,685
Later than 5 years	600,000	700,000
	<u>1,323,892</u>	<u>1,465,035</u>

27. **Related party transactions****Control relationships**

The company is controlled by I H Foster by way of his directorship and shareholding in the parent company.

28. **Controlling party**

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