

COMPANY REGISTRATION NUMBER 01179371

**A F SWITCHGEAR LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2014**



**LANGARD LIFFORD HALL LIMITED**

Accountants and Registered 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  
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 2014

The company's balance sheet as detailed on page 7 shows a satisfactory position, with shareholders' funds amounting to £5,207,194.

### 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 has seen a slight drop in turnover during the year ended 2014, but contracts have shown increased margin, resulting in improved trading profits. The directors are monitoring the ongoing trading conditions and are confident that 2015 will see the company maintain its market share and profitability.

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

	2014 £000	2013 £000
Turnover	22,638	26,946
Gross profit %	27.76%	21.01%
Profit on ordinary activities before tax	2,563	1,806
Shareholder's funds	5,207	4,165

### 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.

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

Signed on behalf of the directors



M S Slack  
Director  
17 June 2015

# A F SWITCHGEAR LIMITED

## DIRECTORS' REPORT

Year ended 31 December 2014

The directors present their report and financial statements of the company for the year ended 31 December 2014.

### Results and dividends

The profit for the year, after taxation, amounted to £2,042,086. Particulars of dividends paid are detailed in note 8 to the financial statements.

### 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:

		At	At
	Class of share	31 December 2014	1 January 2014
I H Foster	Ordinary	100	100
M G Harris		-	-
R Thompson		-	-
M S Slack		-	-

### 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



M S Slack  
Director  
17 June 2015

**A F SWITCHGEAR LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**Year ended 31 December 2014**

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



M S Slack  
Director  
17 June 2015

**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 which comprise the Profit and Loss Account, Balance Sheet and the related notes, together with the financial statements of A F Switchgear Limited for the year ended 31 December 2014 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.

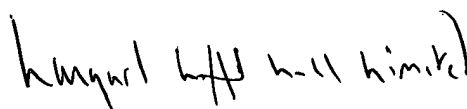
**Respective responsibilities of directors and auditor**

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.

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 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.



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

17 June 2015

**A F SWITCHGEAR LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**

**Year ended 31 December 2014**

	Note	2014 £	2013 £
<b>Turnover</b>		22,638,116	26,175,870
<b>Cost of sales</b>		16,354,150	20,516,293
<b>Gross profit</b>		6,283,966	5,659,577
<b>Administrative expenses</b>		3,903,660	4,005,725
<b>Operating profit</b>	2	2,380,306	1,653,852
<b>Income from shares in group undertakings</b>	5	200,000	150,000
<b>Interest receivable</b>		4,889	4,392
<b>Interest payable and similar charges</b>	6	(22,620)	(2,458)
<b>Profit on ordinary activities before taxation</b>		2,562,575	1,805,786
<b>Tax on profit on ordinary activities</b>	7	520,489	439,102
<b>Profit for the financial year</b>		2,042,086	1,366,684

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 8 to 18 form part of these abbreviated accounts

**A F SWITCHGEAR LIMITED**  
**ABBREVIATED BALANCE SHEET**

**31 December 2014**

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Intangible assets	9	-	-
Tangible assets	10	298,682	331,223
Investments	11	110	110
		<u>298,792</u>	<u>331,333</u>
<b>Current assets</b>			
Stocks	12	1,385,061	462,159
Debtors	13	6,699,339	7,653,257
Investments	14	37,331	37,331
Cash at bank and in hand		2,745,224	1,359,971
		<u>10,866,955</u>	<u>9,512,718</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>5,920,272</u>	<u>5,618,396</u>
<b>Net current assets</b>		<u>4,946,683</u>	<u>3,894,322</u>
<b>Total assets less current liabilities</b>		<u>5,245,475</u>	<u>4,225,655</u>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>38,281</u>	<u>60,547</u>
		<u>5,207,194</u>	<u>4,165,108</u>
<b>Capital and reserves</b>			
Called-up equity share capital	21	5,000	5,000
Profit and loss account	22	5,202,194	4,160,108
<b>Shareholder's funds</b>	23	<u>5,207,194</u>	<u>4,165,108</u>

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

These abbreviated accounts were approved by the directors on 17 June 2015, and are signed on their behalf by:



I H Foster  
Director

The notes on pages 8 to 18 form part of these abbreviated accounts



# A F SWITCHGEAR LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2014

### 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 2014

### 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 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.

# A F SWITCHGEAR LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2014

### 2. Operating profit

Operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Depreciation of owned fixed assets	17,657	4,369
Depreciation of assets held under hire purchase agreements	28,834	59,816
(Profit)/Loss on disposal of fixed assets	(54,258)	63,427
Auditor's remuneration		
- as auditor	16,051	16,318
- for other services	10,154	4,371
Operating lease costs:		
- Plant and equipment	6,146	6,680
- Other	302,824	226,017
Net loss on foreign currency translation	18,461	4,971

### 3. Particulars of employees

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

	2014	2013
	No	No
Number of production staff	64	57
Number of other staff	49	46
	113	103

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	4,415,142	4,704,165
Social security costs	424,799	456,427
	4,839,941	5,160,592

**A F SWITCHGEAR LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**

**Year ended 31 December 2014**

**4. Directors' remuneration**

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

	2014	2013
	£	£
Remuneration receivable	500,893	459,972
Value of company pension contributions to money purchase schemes	18,785	13,848
	<u>519,678</u>	<u>473,820</u>

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

	2014	2013
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

**5. Income from shares in group undertakings**

	2014	2013
	£	£
Income from group undertakings	<u>200,000</u>	<u>150,000</u>

**6. Interest payable and similar charges**

	2014	2013
	£	£
Interest payable on bank borrowing	1,471	1,972
Finance charges	21,149	486
	<u>22,620</u>	<u>2,458</u>

**7. Taxation on ordinary activities**

**(a) Analysis of charge in the year**

	2014	2013
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 21.49% (2013 - 23.25%)	520,260	439,114
Under/(Over) provision in prior year	229	(12)
Total current tax	<u>520,489</u>	<u>439,102</u>

# A F SWITCHGEAR LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2014

### 7. Taxation on ordinary activities *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>2,562,575</u>	<u>1,805,786</u>
Profit on ordinary activities by rate of tax	507,717	419,845
Expenses not deductible for tax purposes	21,397	39,490
Capital allowances for period in excess of depreciation	(8,930)	(20,157)
Adjustments to tax charge in respect of previous periods	229	(12)
Sundry tax adjusting items	76	(64)
Total current tax (note 7(a))	<u>520,489</u>	<u>439,102</u>

### 8. Dividends

#### Equity dividends

	2014 £	2013 £
Final dividends paid on ordinary shares	<u>1,000,000</u>	<u>850,000</u>

### 9. Intangible fixed assets

	Patents £
Cost	
At 1 January 2014 and 31 December 2014	<u>3,247</u>
Amortisation	
At 1 January 2014 and 31 December 2014	<u>3,247</u>
Net book value	
At 31 December 2014	-
At 31 December 2013	-

## A F SWITCHGEAR LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2014

## 10. Tangible fixed assets

	Plant & Machinery £	Motor Vehicles £	Total £
<b>Cost</b>			
At 1 January 2014	442,760	130,024	572,784
Additions	137,881	13,950	151,831
Disposals	(137,881)	-	(137,881)
<b>At 31 December 2014</b>	<b>442,760</b>	<b>143,974</b>	<b>586,734</b>
<b>Depreciation</b>			
At 1 January 2014	160,625	80,936	241,561
Charge for the year	27,589	18,902	46,491
<b>At 31 December 2014</b>	<b>188,214</b>	<b>99,838</b>	<b>288,052</b>
<b>Net book value</b>			
At 31 December 2014	254,546	44,136	298,682
At 31 December 2013	282,135	49,088	331,223

**Hire purchase agreements**

Included within the net book value of £298,682 is £145,241 (2013 - £300,901) 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 £28,834 (2013 - £59,816).

**Capital commitments**

	2014 £	2013 £
Contracted but not provided for in the financial statements	40,404	-

## 11. Investments

	Investment in subsidiary undertakings £
<b>Cost</b>	
At 1 January 2014 and 31 December 2014	110
<b>Net book value</b>	
At 31 December 2014 and 31 December 2013	110

# A F SWITCHGEAR LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2014

### 11. Investments (continued)

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

	2014 £	2013 £
Raw materials	379,789	89,746
Work in progress	1,005,272	372,413
	<u>1,385,061</u>	<u>462,159</u>

### 13. Debtors

	2014 £	2013 £
Trade debtors	6,497,686	7,621,323
Prepayments and accrued income	201,653	31,934
	<u>6,699,339</u>	<u>7,653,257</u>

### 14. Investments

	2014 £	2013 £
Available-for-sale investments	<u>37,331</u>	<u>37,331</u>

# A F SWITCHGEAR LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2014

### 15. Creditors: amounts falling due within one year

	2014	2013
	£	£
Bank loans	-	77,592
Trade creditors	3,548,532	4,076,426
Amounts owed to group undertakings	1,298,003	348,736
Corporation tax	310,260	439,114
Other taxation and social security	327,322	375,283
Hire purchase agreements	43,004	56,423
Accruals and deferred income	393,151	244,822
	<u>5,920,272</u>	<u>5,618,396</u>

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

	2014	2013
	£	£
Bank loans	-	77,592
Hire purchase agreements	43,004	56,423
	<u>43,004</u>	<u>134,015</u>

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

	2014	2013
	£	£
Hire purchase agreements	<u>38,281</u>	<u>60,547</u>

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

	2014	2013
	£	£
Hire purchase agreements	<u>38,281</u>	<u>60,547</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 £81,285 at the balance sheet date (2013: £194,562).

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 2014**

**17. Commitments under hire purchase agreements**

Future commitments under hire purchase agreements are as follows:

	2014	2013
	£	£
Amounts payable within 1 year	43,004	56,423
Amounts payable between 2 to 5 years	38,281	60,547
	<u>81,285</u>	<u>116,970</u>
Hire purchase agreements are analysed as follows:		
Current obligations	43,004	56,423
Non-current obligations	38,281	60,547
	<u>81,285</u>	<u>116,970</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 £39,058 (2013: £26,925).

**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:

	2014	2013
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>59,711</u>	<u>46,631</u>

Deferred taxation is based on a corporation tax rate of 21% (2013: 23%).

# A F SWITCHGEAR LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2014

### 20. Commitments under operating leases

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below:

	2014		2013	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	1,839	-	31,182
Within 2 to 5 years	-	94,761	219,584	33,492
After more than 5 years	100,000	-	100,000	-
	<u>100,000</u>	<u>96,600</u>	<u>319,584</u>	<u>64,674</u>

### 21. Share capital

#### Authorised share capital:

	2014 £	2013 £
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:

	2014		2013	
	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>

### 22. Profit and loss account

	2014 £	2013 £
Balance brought forward	4,160,108	3,643,424
Profit for the financial year	2,042,086	1,366,684
Equity dividends	(1,000,000)	(850,000)
Balance carried forward	<u>5,202,194</u>	<u>4,160,108</u>

# A F SWITCHGEAR LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 2014

### 23. Reconciliation of movements in shareholder's funds

	2014	2013
	£	£
Profit for the financial year	2,042,086	1,366,684
Equity dividends	(1,000,000)	(850,000)
Net addition to shareholder's funds	1,042,086	516,684
Opening shareholder's funds	4,165,108	3,648,424
Closing shareholder's funds	5,207,194	4,165,108

### 24. Ultimate parent company

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