

# REGISTRAR

Registered number: 01679686

## ASSOCIATED ENGINEERING SERVICES LIMITED

### DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2015

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**ASSOCIATED ENGINEERING SERVICES LIMITED**

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**ASSOCIATED ENGINEERING SERVICES LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

P Leeson  
J L Harman  
P A Mitchell

**REGISTERED NUMBER**

01679686

**REGISTERED OFFICE**

72 Tenter Road  
Moulton Park  
Northampton  
NN3 6AX

**INDEPENDENT AUDITOR**

MHA MacIntyre Hudson  
Chartered Accountants & Statutory Auditors  
Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

**BANKERS**

National Westminster Bank Plc  
41 The Drapery  
Northampton  
NN1 2EY

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## **ASSOCIATED ENGINEERING SERVICES LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2015**

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#### **PRINCIPAL ACTIVITIES & BUSINESS REVIEW**

The principal activity of the company continued to be the design, manufacture and installation of electrical control systems for heating and ventilation.

2014/2015 turnover from continuing operations increased from £6.23m to £7.30m up 17.3% from 2013/2014, with profitability increasing from 4.44% to 7.08%.

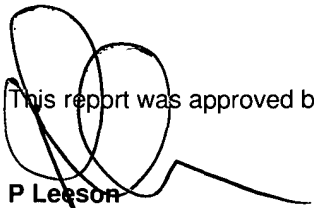
#### **PRINCIPAL RISKS AND UNCERTAINTIES**

##### **Cash flow risk**

Our cash flow is closely monitored by our commercial manager and accountant, cash flow forecast meetings are undertaken monthly to alert the directors of any potential risks. Main contract works are at the highest risk level, however this is limited due to the fact that our largest customers remain no more than 15% of our turnover.

#### **FUTURE DEVELOPMENTS**

The groups longer objectives are to provide growth for AES Energy Services Limited in the maintenance section, (currently we have 470 maintenance contracts) and continued operations with the excellent customer base for Associated Engineering Services Limited.

 This report was approved by the board on **21 OCTOBER 2015**

and signed on its behalf.

**P Leeson**  
Director

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## **ASSOCIATED ENGINEERING SERVICES LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2015**

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The directors present their report and the financial statements for the year ended 30 April 2015.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic Report, 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 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.

#### **DIRECTORS**

The directors who served during the year were:

P Leeson  
J L Harman  
P A Mitchell

#### **DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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**ASSOCIATED ENGINEERING SERVICES LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 APRIL 2015**

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**AUDITOR**

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

This report was approved by the board on **21 OCTOBER 2015** and signed on its behalf.



P Leeson  
Director

72 Tenter Road  
Moulton Park  
Northampton  
NN3 6AX

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## **ASSOCIATED ENGINEERING SERVICES LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASSOCIATED ENGINEERING SERVICES LIMITED**

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We have audited the financial statements of Associated Engineering Services Limited for the year ended 30 April 2015, which comprise the Profit and Loss account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 members 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**ASSOCIATED ENGINEERING SERVICES LIMITED**

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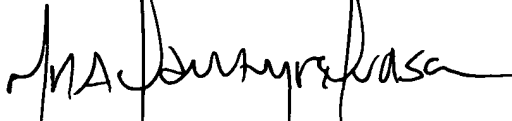
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASSOCIATED ENGINEERING  
SERVICES LIMITED**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Martin Herron BA ACA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

Date: 21 OCTOBER 2015



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**ASSOCIATED ENGINEERING SERVICES LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 APRIL 2015**

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	Note	2015 £	2014 £
<b>TURNOVER</b>	2	7,303,984	6,226,211
Cost of sales		(5,614,715)	(4,949,192)
<b>GROSS PROFIT</b>		1,689,269	1,277,019
Administrative expenses		(1,170,712)	(993,226)
<b>OPERATING PROFIT</b>	3	518,557	283,793
Interest receivable and similar income		451	322
Interest payable and similar charges	6	(1,912)	(7,909)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		517,096	276,206
Tax on profit on ordinary activities	7	(129,735)	(59,941)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	17	387,361	216,265

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

The notes on pages 9 to 16 form part of these financial statements.

**ASSOCIATED ENGINEERING SERVICES LIMITED**  
**REGISTERED NUMBER: 01679686**

**BALANCE SHEET**  
**AS AT 30 APRIL 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	8		251,471		111,316
<b>CURRENT ASSETS</b>					
Stocks	9	69,295		104,967	
Debtors	10	4,669,222		4,586,320	
Cash at bank and in hand		501,234		264,521	
		<u>5,239,751</u>		<u>4,955,808</u>	
<b>CREDITORS:</b> amounts falling due within one year	11	(1,465,803)		(1,345,073)	
<b>NET CURRENT ASSETS</b>			<u>3,773,948</u>		<u>3,610,735</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,025,419</u>		<u>3,722,051</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	12		(20,436)		-
<b>NET ASSETS</b>			<u>4,004,983</u>		<u>3,722,051</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		1,000		1,000
Profit and loss account	17		4,003,983		3,721,051
<b>SHAREHOLDERS' FUNDS</b>	18		<u>4,004,983</u>		<u>3,722,051</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 OCTOBER 2015.

P Leeson  
Director

The notes on pages 9 to 16 form part of these financial statements.

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## ASSOCIATED ENGINEERING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### 1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 1.

##### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

##### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Tools	-	25% on book value
Motor vehicles	-	25% on book value
Fixtures and fittings	-	25% on book value
Computer equipment	-	60% on book value

##### 1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.6 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

##### 1.7 Stocks

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

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## ASSOCIATED ENGINEERING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.9 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

##### 1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

##### 1.11 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.

#### 2. TURNOVER

All turnover arose within the United Kingdom.

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**ASSOCIATED ENGINEERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2015**

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**3. OPERATING PROFIT**

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	101,471	52,118
Auditor's remuneration	14,750	13,800
Operating lease rentals:		
- other operating leases	42,264	38,952
Loss on disposal of fixed assets	10,514	15,941
	<u>168,999</u>	<u>120,811</u>

**4. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	1,901,993	1,730,696
Social security costs	230,905	213,322
Other pension costs	135,757	113,634
	<u>2,268,655</u>	<u>2,057,652</u>

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

	2015 No.	2014 No.
Management	3	3
Administration	12	11
Production	55	59
	<u>70</u>	<u>73</u>

**5. DIRECTORS' REMUNERATION**

	2015 £	2014 £
Remuneration	39,233	47,005
Company pension contributions to defined contribution pension schemes	74,648	20,460

During the year retirement benefits were accruing to 3 directors (2014 - 3) in respect of defined contribution pension schemes.

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**ASSOCIATED ENGINEERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2015**

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**6. INTEREST PAYABLE**

	2015 £	2014 £
On bank loans and overdrafts	79	4,518
Other interest payable	1,833	3,391
	<u>1,912</u>	<u>7,909</u>

**7. TAXATION**

	2015 £	2014 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year,	94,132	57,837
Adjustments in respect of prior periods	942	-
<b>Total current tax</b>	<u>95,074</u>	<u>57,837</u>
<b>Deferred tax</b> (see note 12)		
Origination and reversal of timing differences	34,661	2,104
<b>Tax on profit on ordinary activities</b>	<u>129,735</u>	<u>59,941</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.92% (2014 - 22.80%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>517,096</u>	<u>276,206</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.92% (2014 - 22.80%)	108,176	62,975
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,639	6,654
Capital allowances for year in excess of depreciation	(13,977)	(8,405)
Adjustments to tax charge in respect of prior periods	942	-
Other timing differences leading to an increase (decrease) in taxation	(2,025)	-
Marginal relief	(681)	(3,387)
<b>Current tax charge for the year</b> (see note above)	<u>95,074</u>	<u>57,837</u>

**ASSOCIATED ENGINEERING SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2015**

**8. TANGIBLE FIXED ASSETS**

	Tools £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 May 2014	35,013	217,987	78,131	61,110	392,241
Additions	-	-	234,246	27,864	262,110
Disposals	-	(85,900)	-	-	(85,900)
At 30 April 2015	35,013	132,087	312,377	88,974	568,451
<b>Depreciation</b>					
At 1 May 2014	33,157	148,127	50,655	48,986	280,925
Charge for the year	464	12,344	65,425	23,238	101,471
On disposals	-	(65,416)	-	-	(65,416)
At 30 April 2015	33,621	95,055	116,080	72,224	316,980
<b>Net book value</b>					
At 30 April 2015	1,392	37,032	196,297	16,750	251,471
At 30 April 2014	1,856	69,860	27,476	12,124	111,316

**9. STOCKS**

	2015 £	2014 £
Raw materials	69,295	104,967

**10. DEBTORS**

	2015 £	2014 £
Trade debtors	1,833,721	1,891,543
Amounts owed by group undertakings	2,660,708	2,554,250
Other debtors	16,809	26,333
Prepayments and accrued income	157,984	99,969
Deferred tax asset (see note 12)	-	14,225
	4,669,222	4,586,320

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**ASSOCIATED ENGINEERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2015**

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**11. CREDITORS:**  
**Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	1,110,171	1,109,845
Corporation tax	94,132	57,837
Other taxation and social security	184,791	118,967
Other creditors	11,440	21,134
Accruals and deferred income	65,269	37,290
	<u>1,465,803</u>	<u>1,345,073</u>

**12. DEFERRED TAXATION**

	2015 £	2014 £
At beginning of year	14,225	16,329
Charge for year	(34,661)	(2,104)
	<u>(20,436)</u>	<u>14,225</u>

The deferred taxation balance is made up as follows:

	2015 £	2014 £
Difference between depreciation and taxation allowances	(22,596)	10,065
Other timing differences	2,160	4,160
	<u>(20,436)</u>	<u>14,225</u>

**13. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The pension cost charge for the year was £135,757 (2014 - £91,861) and the amount outstanding at the year end was £11,120 (2014 - £20,803).



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**ASSOCIATED ENGINEERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2015**

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**14. OPERATING LEASE COMMITMENTS**

At 30 April 2015 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>			<b>Other</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expiry date:</b>				
Within 1 year	-	-	<b>13,423</b>	-
Between 2 and 5 years	<b>19,200</b>	<b>19,200</b>	<b>121,863</b>	<b>101,312</b>
After more than 5 years	<b>37,200</b>	<b>37,200</b>	-	-

**15. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption extended in the Financial Reporting Standard 8 from disclosing transactions with group companies.

The company leases premises owned by P Leeson. During the year the company paid rent of £18,600 (2014 - £12,400) to P Leeson.

The company leases premises owned by J Harman and P Mitchell. During the year the company paid rent of £nil (2014 - £1,550) to J Harman and P Mitchell.

R Leeson is a brother of P Leeson. During the year the company sold motor vehicles for a total of £nil (2014 - £3,850) to R Leeson.

B Leeson is the nephew of P Leeson. During the year the company purchased computer services from B Leeson for a value of £nil (2014 - £12,000).

During the year the company purchased motor vehicles and computer hardware from Irchester Motor Services Limited for a value of £nil (2014 - £27,720). B Leeson and R Leeson are both directors of Irchester Motor Services Limited.

**16. SHARE CAPITAL**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	<b>1,000</b>	<b>1,000</b>

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**ASSOCIATED ENGINEERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2015**

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**17. RESERVES**

	<b>Profit and loss account £</b>
At 1 May 2014	<b>3,721,051</b>
Profit for the financial year	<b>387,361</b>
Dividends	<b>(104,429)</b>
	<hr/>
At 30 April 2015	<b>4,003,983</b>
	<hr/>

**18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2015 £</b>	<b>2014 £</b>
Opening shareholders' funds	<b>3,722,051</b>	<b>3,671,620</b>
Profit for the financial year	<b>387,361</b>	<b>216,265</b>
Dividends (Note 19)	<b>(104,429)</b>	<b>(165,834)</b>
	<hr/>	<hr/>
Closing shareholders' funds	<b>4,004,983</b>	<b>3,722,051</b>
	<hr/>	<hr/>

**19. DIVIDENDS**

	<b>2015 £</b>	<b>2014 £</b>
Equity dividends paid on ordinary shares	<b>104,429</b>	<b>165,834</b>
	<hr/>	<hr/>

**20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The ultimate parent company is Associated Engineering Services Holdings Limited which owns 100% of the ordinary share capital of the company, and heads up both the largest and smallest group for which accounts are prepared. Copies of the group accounts can be obtained from the Registrar of Companies.

The ultimate controlling party is P Leeson by virtue of his majority shareholding in Associated Engineering Services Holdings Limited.