

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014  
FOR  
A & F SPRINKLERS LIIMITED**

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**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS  
for the Year Ended 31 December 2014**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Consolidated Profit and Loss Account</b>	<b>6</b>
<b>Consolidated Balance Sheet</b>	<b>7</b>
<b>Company Balance Sheet</b>	<b>8</b>
<b>Consolidated Cash Flow Statement</b>	<b>9</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>10</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>11</b>

**A & F SPRINKLERS LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 31 December 2014**

**DIRECTORS:**

J M Stansfield  
Ms L K Hill  
J O Whitlock  
D Parr  
D L Parker

**SECRETARY:**

Mrs P A Stansfield

**REGISTERED OFFICE:**

Unit 4, Gorrels Way  
Trans-Pennine Trading Estate  
Rochdale  
Lancashire  
OL11 2PX

**REGISTERED NUMBER:**

02029052

**AUDITORS:**

Cresswells Accountants LLP  
Chartered Accountants  
and Statutory Auditors  
Barclays Bank Chambers  
Market Street  
Hebden Bridge  
West Yorkshire  
HX7 6AD

**GROUP STRATEGIC REPORT  
for the Year Ended 31 December 2014**

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

**REVIEW OF BUSINESS**

The results for the period are given in the profit and loss account on page 6. This shows that during 2014 the turnover grew from £5,835,933 to £14,221,954 an increase of 143.6%. Operating profit increased from £303,705 to £1,073,483 an increase of 253.4%. At the period end, net assets were £1,409,114 (2013: £613,617).

The level of business on hand at the year end and the period end financial position are both good and even though the directors do not envisage the same level of turnover in the next twelve months the future prospects remain very encouraging.

During the year the parent company relocated its head office and warehousing to a facilities in Rochdale which has enabled the Group to increase its number of employees from 25 to 30.

The relocation has given the Group the space and resources for the future possibility of engaging in other activities that complement the groups core activities and utilise the extra warehouse space.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Competitive pressure in the market is a continuing risk for the Group, which could result in the loss of key sales to competitors. The Group responds by offering leading edge products and by providing a range of added-value services to its customers.

**EMPLOYEE INVOLVEMENT**

The Group keeps its employees upto date on the matters relevant to them via regular staff meetings.

The training and development of the staff is also important to the Group. All staff are given an induction when they start and their training needs are assessed and reviewed throughout the year.

**ENVIRONMENTAL**

The Group recognise the importance of its environmental responsibilities and as such taken has steps to reduce its carbon footprint with the move of the Group's head office to the new premises.

Improvements have been made at a cost of £193,979 including all the light in the building are LED lights and are all fitted with PIR(Person in Room) sensors.

A biomass boiler has been fitted to the premises which will reduce both the cost of heating the building and the Group's Co2 omission.

**GROUP STRATEGIC REPORT  
for the Year Ended 31 December 2014**

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's activities expose it to a number of financial risks including Credit risk, Cashflow risk, Liquidity risk and Exchange rate risk

**Cashflow Risk**

The Group operated primarily in the UK and Ireland and has a diverse range of customers. It operates appropriate control over its debtors and creditor balance and therefore exposure to cashflow risk from realising its working capital is small.

**Credit Risk**

The Group's principal financial assets are cash and bank balances and trade debtors.

The Group's credit risk is primarily attributable to its trade debtors. The amount in the balance sheet is net of allowances for doubtful debts. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparts and customers.

**Liquidity Risk**

The Group's liquidity risk is primarily attributable to its trade debtors. The Group has no significant concentration of liquidity risk, with exposure spread over a number of counterparts and customers.

**Exchange Rate Risk**

Transactions on foreign currencies are recorded at the exchange rate ruling at the date of the transaction. With the strength of the £ at the moment the directors feel that the exchange rate risk is low.

**ON BEHALF OF THE BOARD:**



.....  
J M Stansfield - Director

Date: 21 August 2015

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2014**

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

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2014 will be £75,780.

**DIRECTORS**

J M Stansfield has held office during the whole of the period from 1 January 2014 to the date of this report.

Other changes in directors holding office are as follows:

Ms L K Hill - appointed 7 March 2014  
J O Whitlock - appointed 17 November 2014  
D Parr - appointed 17 November 2014

D L Parker was appointed as a director after 31 December 2014 but prior to the date of this report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

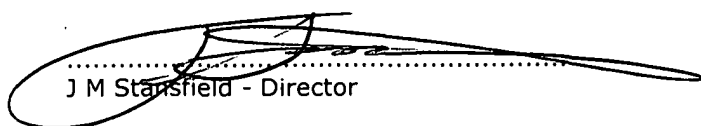
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Cresswells Accountants LLP Chartered Accountants and Statutory Auditors will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
J M Stansfield - Director

Date: 21 August 2015

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF A & F SPRINKLERS LIMITED**

We have audited the financial statements of A & F Sprinklers Limited for the year ended 31 December 2014 on pages six to nineteen. 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 a Report of the Auditors 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 group's and the parent 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 Group Strategic Report and the Report of the Directors 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 group's and of the parent company's affairs as at 31 December 2014 and of the group's 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 Group Strategic Report and the Report of the Directors 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Graham Roper BA FCA (Senior Statutory Auditor)  
for and on behalf of Cresswells Accountants LLP  
Chartered Accountants  
and Statutory Auditors  
Barclays Bank Chambers  
Market Street  
Hebden Bridge  
West Yorkshire  
HX7 6AD

Date: 21 August 2015

**A & F SPRINKLERS LIMITED (REGISTERED NUMBER: 02029052)****CONSOLIDATED PROFIT AND LOSS ACCOUNT  
for the Year Ended 31 December 2014**

	Notes	2014 £	2013 £
<b>TURNOVER</b>	2	14,221,954	5,835,933
Cost of sales		10,617,969	4,036,171
<b>GROSS PROFIT</b>		3,603,985	1,799,762
Administrative expenses		2,540,735	1,496,057
		1,063,250	303,705
Other operating income		10,233	-
<b>OPERATING PROFIT</b>	4	1,073,483	303,705
Interest receivable and similar income		2,247	2,091
		1,075,730	305,796
Interest payable and similar charges	5	1,953	3,307
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,073,777	302,489
Tax on profit on ordinary activities	6	202,500	61,307
<b>PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP</b>		871,277	241,182

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

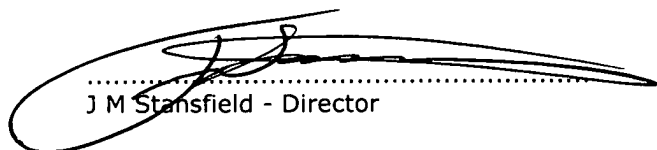
The group has no recognised gains or losses other than the profits for the current year or previous year.



**A & F SPRINKLERS LIMITED (REGISTERED NUMBER: 02029052)****CONSOLIDATED BALANCE SHEET  
31 December 2014**

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	9	120,782	84,885
Investments	10	-	-
		<u>120,782</u>	<u>84,885</u>
<b>CURRENT ASSETS</b>			
Stocks	11	21,662	5,214
Debtors	12	3,479,797	1,164,928
Cash at bank		<u>1,573,579</u>	<u>728,216</u>
		5,075,038	1,898,358
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>3,762,659</u>	<u>1,350,498</u>
<b>NET CURRENT ASSETS</b>		<u>1,312,379</u>	<u>547,860</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,433,161</u>	<u>632,745</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	-	(3,681)
<b>PROVISIONS FOR LIABILITIES</b>	17	<u>(24,047)</u>	<u>(15,447)</u>
<b>NET ASSETS</b>		<u><u>1,409,114</u></u>	<u><u>613,617</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	10,018	10,018
Share premium	19	27,845	27,845
Profit and loss account	19	<u>1,371,251</u>	<u>575,754</u>
<b>SHAREHOLDERS' FUNDS</b>	23	<u><u>1,409,114</u></u>	<u><u>613,617</u></u>

The financial statements were approved by the Board of Directors on **21** August 2015 and were signed on its behalf by:



J M Stansfield - Director

**A & F SPRINKLERS LIMITED (REGISTERED NUMBER: 02029052)****COMPANY BALANCE SHEET  
31 December 2014**

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	9	120,782	84,885
Investments	10	80	100
		<u>120,862</u>	<u>84,985</u>
<b>CURRENT ASSETS</b>			
Stocks	11	21,662	5,214
Debtors	12	3,251,617	1,164,928
Cash at bank		1,357,076	728,216
		<u>4,630,355</u>	<u>1,898,358</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>3,622,976</u>	<u>1,350,598</u>
<b>NET CURRENT ASSETS</b>		<u>1,007,379</u>	<u>547,760</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,128,241</u>	<u>632,745</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	-	(3,681)
<b>PROVISIONS FOR LIABILITIES</b>	17	(24,047)	(15,447)
<b>NET ASSETS</b>		<u><u>1,104,194</u></u>	<u><u>613,617</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	10,018	10,018
Share premium	19	27,845	27,845
Profit and loss account	19	1,066,331	575,754
<b>SHAREHOLDERS' FUNDS</b>	23	<u><u>1,104,194</u></u>	<u><u>613,617</u></u>

The financial statements were approved by the Board of Directors on 21 August 2015 and were signed on its behalf by:



J M Stansfield - Director

**CONSOLIDATED CASH FLOW STATEMENT**  
for the Year Ended 31 December 2014

	Notes	2014 £	2013 £
<b>Net cash inflow from operating activities</b>	1	1,266,085	683,651
<b>Returns on investments and servicing of finance</b>	2	294	(1,216)
<b>Taxation</b>		(230,916)	(66,082)
<b>Capital expenditure</b>	2	(66,178)	(24,473)
<b>Equity dividends paid</b>		(75,780)	(88,000)
		<u>893,505</u>	<u>503,880</u>
<b>Financing</b>	2	(48,142)	(38,576)
<b>Increase in cash in the period</b>		<u>845,363</u>	<u>465,304</u>

**Reconciliation of net cash flow to movement in net funds**

	3		
Increase in cash in the period		845,363	465,304
Cash outflow from decrease in debt and lease financing		<u>13,940</u>	<u>22,885</u>
Change in net funds resulting from cash flows		<u>859,303</u>	<u>488,189</u>
<b>Movement in net funds in the period</b>		<u>859,303</u>	<u>488,189</u>
<b>Net funds at 1 January</b>		<u>710,595</u>	<u>222,406</u>
<b>Net funds at 31 December</b>		<u>1,569,898</u>	<u>710,595</u>

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
for the Year Ended 31 December 2014**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating profit	1,073,483	303,705
Depreciation charges	28,843	29,553
Loss/(profit) on disposal of fixed assets	1,438	(1,249)
(Increase)/decrease in stocks	(16,448)	2,000
(Increase)/decrease in debtors	(2,111,239)	93,016
Increase in creditors	2,290,008	256,626
<b>Net cash inflow from operating activities</b>	<b>1,266,085</b>	<b>683,651</b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	2,247	2,091
Interest element of hire purchase payments	(1,953)	(3,307)
<b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b>	<b>294</b>	<b>(1,216)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(66,178)	(25,723)
Sale of tangible fixed assets	-	1,250
<b>Net cash outflow for capital expenditure</b>	<b>(66,178)</b>	<b>(24,473)</b>
<b>Financing</b>		
Capital repayments in year	(13,940)	(22,885)
Amount introduced by directors	90,223	98,413
Amount withdrawn by directors	(124,425)	(114,104)
<b>Net cash outflow from financing</b>	<b>(48,142)</b>	<b>(38,576)</b>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.14 £	Cash flow £	At 31.12.14 £
Net cash:			
Cash at bank	728,216	845,363	1,573,579
	<u>728,216</u>	<u>845,363</u>	<u>1,573,579</u>
Debt:			
Hire purchase	(17,621)	13,940	(3,681)
	<u>(17,621)</u>	<u>13,940</u>	<u>(3,681)</u>
<b>Total</b>	<b>710,595</b>	<b>859,303</b>	<b>1,569,898</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
for the Year Ended 31 December 2014**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- over 10 years
Fixtures and fittings	- over 10 years
Motor vehicles	- over 5 years
Computer equipment	- over 4 years

**Stocks**

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

**Deferred tax**

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

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

**2. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2014 £	2013 £
United Kingdom	12,587,151	5,835,933
Europe	1,634,803	-
	<u>14,221,954</u>	<u>5,835,933</u>

**3. STAFF COSTS**

	2014 £	2013 £
Wages and salaries	945,840	786,875
Social security costs	97,261	16
Other pension costs	62,116	202,273
	<u>1,105,217</u>	<u>989,164</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2014**

**3. STAFF COSTS - continued**

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

	2014	2013
Directors	2	1
Administrative	15	13
Production	13	11
	<u>30</u>	<u>25</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Hire of plant and machinery	545,111	152,003
Other operating leases	102,277	77,411
Depreciation - owned assets	20,943	13,764
Depreciation - assets on hire purchase contracts	7,900	15,789
Loss/(profit) on disposal of fixed assets	1,438	(1,249)
Auditors' remuneration	19,253	-
Foreign exchange differences	(7,506)	-
	<u>73,064</u>	<u>7,759</u>
Directors' remuneration	40,000	200,000
Directors' pension contributions to money purchase schemes	<u>40,000</u>	<u>200,000</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2014 £	2013 £
Hire purchase	<u>1,953</u>	<u>3,307</u>

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2014 £	2013 £
Current tax:		
UK corporation tax	193,900	61,488
Deferred tax	<u>8,600</u>	<u>(181)</u>
Tax on profit on ordinary activities	<u>202,500</u>	<u>61,307</u>

UK corporation tax has been charged at 18.50%.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 December 2014

**6. TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>1,073,777</u>	<u>302,489</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 - 23%)	225,493	69,572
Effects of:		
Expenses not deductible for tax purposes	2,587	642
Capital allowances in excess of depreciation	(7,827)	-
Depreciation in excess of capital allowances	-	207
Marginal relief	(185)	(9,688)
Change in rate	<u>(26,168)</u>	<u>755</u>
Current tax charge	<u>193,900</u>	<u>61,488</u>

**7. PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £566,357 (2013 - £241,182).

**8. DIVIDENDS**

	2014 £	2013 £
Interim	<u>75,780</u>	<u>88,000</u>

**9. TANGIBLE FIXED ASSETS**

**Group**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2014	22,900	2,153	124,490	23,862	173,405
Additions	58,896	7,282	-	-	66,178
Disposals	-	-	(20,600)	(7,593)	(28,193)
At 31 December 2014	<u>81,796</u>	<u>9,435</u>	<u>103,890</u>	<u>16,269</u>	<u>211,390</u>
<b>DEPRECIATION</b>					
At 1 January 2014	8,203	830	69,821	9,666	88,520
Charge for year	4,469	530	19,777	4,067	28,843
Eliminated on disposal	-	-	(20,598)	(6,157)	(26,755)
At 31 December 2014	<u>12,672</u>	<u>1,360</u>	<u>69,000</u>	<u>7,576</u>	<u>90,608</u>
<b>NET BOOK VALUE</b>					
At 31 December 2014	<u>69,124</u>	<u>8,075</u>	<u>34,890</u>	<u>8,693</u>	<u>120,782</u>
At 31 December 2013	<u>14,697</u>	<u>1,323</u>	<u>54,669</u>	<u>14,196</u>	<u>84,885</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2014**

**9. TANGIBLE FIXED ASSETS - continued**

**Group**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
<b>COST</b>	
At 1 January 2014	78,945
Transfer to ownership	(39,445)
At 31 December 2014	<u>39,500</u>
<b>DEPRECIATION</b>	
At 1 January 2014	34,400
Charge for year	7,900
Transfer to ownership	(21,075)
At 31 December 2014	<u>21,225</u>
<b>NET BOOK VALUE</b>	
At 31 December 2014	<u>18,275</u>
At 31 December 2013	<u>44,545</u>

**Company**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2014	22,900	2,153	124,490	23,862	173,405
Additions	58,896	7,282	-	-	66,178
Disposals	-	-	(20,600)	(7,593)	(28,193)
At 31 December 2014	<u>81,796</u>	<u>9,435</u>	<u>103,890</u>	<u>16,269</u>	<u>211,390</u>
<b>DEPRECIATION</b>					
At 1 January 2014	8,203	830	69,821	9,666	88,520
Charge for year	4,469	530	19,777	4,067	28,843
Eliminated on disposal	-	-	(20,598)	(6,157)	(26,755)
At 31 December 2014	<u>12,672</u>	<u>1,360</u>	<u>69,000</u>	<u>7,576</u>	<u>90,608</u>
<b>NET BOOK VALUE</b>					
At 31 December 2014	<u>69,124</u>	<u>8,075</u>	<u>34,890</u>	<u>8,693</u>	<u>120,782</u>
At 31 December 2013	<u>14,697</u>	<u>1,323</u>	<u>54,669</u>	<u>14,196</u>	<u>84,885</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2014**

**9. TANGIBLE FIXED ASSETS - continued**

**Company**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
<b>COST</b>	
At 1 January 2014	78,945
Transfer to ownership	(39,445)
At 31 December 2014	<u>39,500</u>
<b>DEPRECIATION</b>	
At 1 January 2014	34,400
Charge for year	7,900
Transfer to ownership	(21,075)
At 31 December 2014	<u>21,225</u>
<b>NET BOOK VALUE</b>	
At 31 December 2014	<u>18,275</u>
At 31 December 2013	<u>44,545</u>

**10. FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2014	100
Exchange differences	(20)
At 31 December 2014	<u>80</u>
<b>NET BOOK VALUE</b>	
At 31 December 2014	<u>80</u>
At 31 December 2013	<u>100</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiary**

**A & F Sprinklers (Ireland) Limited**

Country of incorporation: Ireland

Nature of business: Installation of sprinklers

	% holding	2014 £	2013 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		80	100
Profit for the year		<u>304,920</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 December 2014

**11. STOCKS**

	<b>Group</b>		<b>Company</b>	
	2014	2013	2014	2013
	£	£	£	£
Stocks	<u>21,662</u>	<u>5,214</u>	<u>21,662</u>	<u>5,214</u>

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	3,163,840	1,083,337	2,870,758	1,083,337
Amounts owed by group undertakings	-	-	64,982	-
Other debtors	23,445	1,978	23,365	1,978
Directors' current accounts	103,157	68,955	103,157	68,955
Tax	169,428	-	169,428	-
Prepayments and accrued income	19,927	10,658	19,927	10,658
	<u>3,479,797</u>	<u>1,164,928</u>	<u>3,251,617</u>	<u>1,164,928</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2014	2013	2014	2013
	£	£	£	£
Hire purchase contracts (see note 15)	3,681	13,940	3,681	13,940
Trade creditors	2,668,021	897,180	2,668,925	897,280
Tax	193,900	61,488	150,340	61,488
Social security and other taxes	163,818	37,544	69,645	37,544
VAT	96,726	158,064	100,076	158,064
Accrued expenses	636,513	182,282	630,309	182,282
	<u>3,762,659</u>	<u>1,350,498</u>	<u>3,622,976</u>	<u>1,350,598</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2014	2013	2014	2013
	£	£	£	£
Hire purchase contracts (see note 15)	<u>-</u>	<u>3,681</u>	<u>-</u>	<u>3,681</u>

**15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

<b>Group</b>	<b>Hire purchase contracts</b>	
	2014	2013
	£	£
Net obligations repayable:		
Within one year	3,681	13,940
Between one and five years	-	3,681
	<u>3,681</u>	<u>17,621</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2014**

**15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued**

**Company**

	Hire purchase contracts	
	2014	2013
	£	£
Net obligations repayable:		
Within one year	3,681	13,940
Between one and five years	-	3,681
	<u>3,681</u>	<u>17,621</u>

The following operating lease payments are committed to be paid within one year:

**Group**

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	-	2,300	5,426	4,101
Between one and five years	54,000	-	40,312	16,907
	<u>54,000</u>	<u>2,300</u>	<u>45,738</u>	<u>21,008</u>

**Company**

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	-	2,300	5,426	4,101
Between one and five years	54,000	-	40,312	16,907
	<u>54,000</u>	<u>2,300</u>	<u>45,738</u>	<u>21,008</u>

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Hire purchase contracts	<u>3,681</u>	<u>-</u>	<u>3,681</u>	<u>17,621</u>

The Groups bankers Nat West Bank Plc have a fixed and floating charge over the assets of the Company by way of a debenture dated 23 November 2006.

**17. PROVISIONS FOR LIABILITIES**

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>24,047</u>	<u>15,447</u>	<u>24,047</u>	<u>15,447</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2014**

**17. PROVISIONS FOR LIABILITIES - continued**

**Group**

	Deferred tax £
Balance at 1 January 2014	15,447
Credit to Profit and Loss Account during year	8,600
Balance at 31 December 2014	<u>24,047</u>

**Company**

	Deferred tax £
Balance at 1 January 2014	15,447
Credit to Profit and Loss Account during year	8,600
Balance at 31 December 2014	<u>24,047</u>

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:  
Number: Class:

	Nominal value: £1	2014 £	2013 £
10,018 Ordinary		<u>10,018</u>	<u>10,018</u>

**19. RESERVES**

**Group**

	Profit and loss account £	Share premium £	Totals £
At 1 January 2014	575,754	27,845	603,599
Profit for the year	871,277		871,277
Dividends	(75,780)		(75,780)
At 31 December 2014	<u>1,371,251</u>	<u>27,845</u>	<u>1,399,096</u>

**Company**

	Profit and loss account £	Share premium £	Totals £
At 1 January 2014	575,754	27,845	603,599
Profit for the year	566,357		566,357
Dividends	(75,780)		(75,780)
At 31 December 2014	<u>1,066,331</u>	<u>27,845</u>	<u>1,094,176</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2014**

**20. PENSION COMMITMENTS**

The Group contributes to the personal pension schemes of certain employees. The assets of these scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £62,116 (2013 £202,373). The amount outstanding at the year end is £7,500 (2013 £Nil.)

**21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 31 December 2014 and 31 December 2013:

	2014 £	2013 £
<b>J M Stansfield</b>		
Balance outstanding at start of year	68,955	53,264
Amounts advanced	124,425	114,104
Amounts repaid	(90,223)	(98,413)
Balance outstanding at end of year	<u>103,157</u>	<u>68,955</u>

**22. RELATED PARTY DISCLOSURES**

During the year dividends of £75,780 (2013 £88,000) were paid to Mr J M Stansfield.

The Groups head office is a property owned by a Self-Invested Personal Pension in which Mr J M Stansfield has an interest. Rent paid in the year ended 31 December 2014 was £46,038 (2013 Nil).

There are two debentures in favour of National Westminster Bank PLC held by way of a legal mortgage over Unit 4 Trans Pennine Trading Estate Gorrells Way Castleton. A property in which A & F Sprinklers Limited hold the title to as a trustee.

**23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Group**

	2014 £	2013 £
Profit for the financial year	871,277	241,182
Dividends	(75,780)	(88,000)
<b>Net addition to shareholders' funds</b>	<u>795,497</u>	<u>153,182</u>
Opening shareholders' funds	613,617	460,435
<b>Closing shareholders' funds</b>	<u>1,409,114</u>	<u>613,617</u>

**Company**

	2014 £	2013 £
Profit for the financial year	566,357	241,182
Dividends	(75,780)	(88,000)
<b>Net addition to shareholders' funds</b>	<u>490,577</u>	<u>153,182</u>
Opening shareholders' funds	613,617	460,435
<b>Closing shareholders' funds</b>	<u>1,104,194</u>	<u>613,617</u>