

A-BELCO PROPERTY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2011

UNW LLP

Chartered Accountants & Statutory Auditor
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

WEDNESDAY



A07 *AV303YPY* 26/10/2011 99
COMPANIES HOUSE

A-BELCO PROPERTY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	J Kelly J A Kelly G Kelly A W Kelly B I Trench
Registered office	Jubilee Industrial Estate Ashington Northumberland NE63 8UG
Auditor	UNW LLP Chartered Accountants & Statutory Auditor Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Lloyds Bank plc 3-5 Newgate Street Morpeth Northumberland NE61 1AN

A-BELCO PROPERTY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2011

The directors present their report and the financial statements of the group for the year ended 31 March 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of a holding company and the management of property

The principal activities of the group were -

- The manufacture and sale of explosion proof electrical equipment, control stations and lighting,
- The manufacture and sale of British Standard industrial plugs and sockets together with combination units,
- The manufacture and supply of electrical equipment to the rail industry, and
- The manufacture and supply of prefabricated mechanical and electrical modules to the construction industry servicing schools, hospitals, commercial and retail projects

The group in common with most companies has been affected by the difficult general economic trading conditions, with the impact on the individual companies varying according to industry

The most significant impact is in the group's dealings with the construction industry, where projects have been delayed, the length of the tendering process has been increasing and margins get tighter. In spite of this, in the year the group has managed to increase sales in this area by 116% and through investment in management structures and improved processes has increased gross margins from 27% to 32%. The group will continue to closely monitor this area of the business, with particular emphasis on reducing cost levels which has resulted in some recent redundancies and a move towards a more flexible workforce, geared towards matching the peaks and troughs of the workload. On a positive note, while the company anticipates a slow start to the current year, phase two of a significant project, for which stage one was successfully completed during 2011, is due to commence in October 2011. The directors are therefore confident that this sector of the business will generate a profit in the year to March 2012.

In the other main business area of the group, the manufacture of electrical products and lighting, the impact of the recession has been somewhat less significant. Once again the group has managed to increase sales over 2010 levels, this time by 27%. Gross margins have reduced slightly from 37% to 34%, primarily due to the mix of product and to more use of distribution outlets abroad to effect sales. During the year the company sold the Intellectual Property Rights to one of its light fittings at a significant profit, but this is not expected to impact on future sales as new products which have been in development for some time come on stream.

One such product, which is unique in its environmental aspects has already resulted in a significant order in the year to March 2012 and has generated considerable worldwide interest from the oil and gas industry. The directors are confident that they will be able to capitalise on this interest and expect significant growth in the next year in this business area.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £206,640. The directors have not recommended a dividend.

A-BELCO PROPERTY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2011

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk

Cash flow risk

The group's activities expose it primarily to the financial risks of slow payment from trade receivables and to delayed conversion of long term work in progress into sales. In order to mitigate these risks the group uses invoice factoring to expedite payments from sales and has also put in place adequate bank overdraft facilities in order to cover short term working capital requirements. Procedures are also in place to ensure applications for payment on long term projects are submitted at the earliest opportunity.

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables and stock and work in progress. The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful debts. The company has recently purchased credit insurance which provides a level of comfort in respect of this risk.

Liquidity risk

The group uses short and long term forecasting to identify future cash requirements including any peaks. Procurement procedures are designed to ensure sales orders can be met without liquidity issues and stock levels are closely monitored. The group has good credit facilities with suppliers and works closely with them to maintain this. The shareholders have indicated that they are happy with the forward projections of the group and are prepared to provide any necessary support.

DIRECTORS

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

J Kelly
J A Kelly
G Kelly
A W Kelly
B I Trench

(Appointed 7 May 2010)

DIRECTORS' RESPONSIBILITIES

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 the group and of the profit or loss of the group for that year. 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 group will continue in business.

A-BELCO PROPERTY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2011

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of 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 group 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 group'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.

DONATIONS

During the year the company made the following contributions

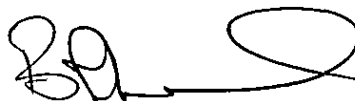
	2011	2010
	£	£
Charitable	<u>925</u>	<u>300</u>

AUDITOR

UNW LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
Jubilee Industrial Estate
Ashington
Northumberland
NE63 8UG

Signed on behalf of the directors



B I TRENCH
Director

Approved by the directors on 29 September 2011

A-BELCO PROPERTY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF A-BELCO PROPERTY LIMITED

YEAR ENDED 31 MARCH 2011

We have audited the group and parent company financial statements ("the financial statements") of A-Belco Property Limited for the year ended 31 March 2011. 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 shareholders, 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 shareholders 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 shareholders 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 set out on pages 3 to 4, 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 (APB'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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. 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 parent company's affairs as at 31 March 2011 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 MATTERS 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.

A-BELCO PROPERTY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF A-BELCO PROPERTY LIMITED *(continued)*

YEAR ENDED 31 MARCH 2011

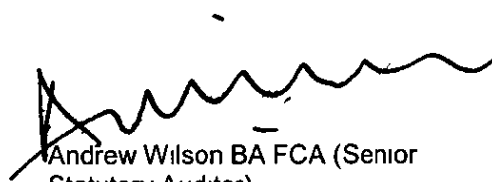
MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

29 September 2011



Andrew Wilson BA FCA (Senior
Statutory Auditor)
For and on behalf of
UNW LLP
Chartered Accountants
& Statutory Auditor

A-BELCO PROPERTY LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
GROUP TURNOVER	2	7,598,468	5,015,549
Cost of sales		<u>(5,024,801)</u>	<u>(3,277,806)</u>
GROSS PROFIT		2,573,667	1,737,743
Distribution costs		(339,532)	(162,055)
Administrative expenses		<u>(2,388,414)</u>	<u>(2,000,832)</u>
OPERATING LOSS	3	(154,279)	(425,144)
Profit on disposal of fixed assets	6	640,326	—
		<u>486,047</u>	<u>(425,144)</u>
Interest receivable		3,367	52,145
Interest payable and similar charges	7	<u>(30,010)</u>	<u>(37,248)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		459,404	(410,247)
Tax on profit/(loss) on ordinary activities	8	<u>(252,764)</u>	<u>(41,518)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	9	206,640	<u>(451,765)</u>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on pages 11 to 23 form part of these financial statements

A-BELCO PROPERTY LIMITED

GROUP BALANCE SHEET

31 MARCH 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	10	<u>1,987,844</u>	<u>2,061,355</u>
CURRENT ASSETS			
Stocks	12	487,654	518,431
Debtors	13	1,938,991	1,736,064
Cash at bank and in hand		<u>448,895</u>	<u>214,418</u>
		2,875,540	2,468,913
CREDITORS: Amounts falling due within one year	14	<u>(3,104,689)</u>	<u>(2,240,431)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(229,149)</u>	<u>228,482</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,758,695</u>	<u>2,289,837</u>
CREDITORS: Amounts falling due after more than one year	15	<u>(950,408)</u>	<u>(1,628,189)</u>
		<u>808,287</u>	<u>661,648</u>
CAPITAL AND RESERVES			
Called-up equity share capital	20	233	175
Share premium account	22	174	174
Other reserves	22	1,841,251	1,901,310
Profit and loss account	22	<u>(1,033,371)</u>	<u>(1,240,011)</u>
SHAREHOLDERS' FUNDS	23	<u>808,287</u>	<u>661,648</u>

These financial statements were approved by the directors and authorised for issue on 29 September 2011, and are signed on their behalf by



B I TRENCH
Director

The notes on pages 11 to 23 form part of these financial statements

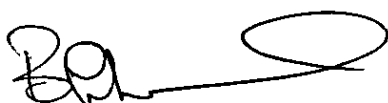
A-BELCO PROPERTY LIMITED

BALANCE SHEET

31 MARCH 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	10	1,598,935	1,604,283
Investments	11	590,000	230,000
		<u>2,188,935</u>	<u>1,834,283</u>
CURRENT ASSETS			
Debtors	13	588,737	867,483
Cash at bank		118,864	212,311
		<u>707,601</u>	<u>1,079,794</u>
CREDITORS. Amounts falling due within one year	14	<u>(539,661)</u>	<u>(232,876)</u>
NET CURRENT ASSETS		<u>167,940</u>	<u>846,918</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,356,875</u>	<u>2,681,201</u>
CREDITORS Amounts falling due after more than one year	15	<u>(950,408)</u>	<u>(1,628,189)</u>
		<u>1,406,467</u>	<u>1,053,012</u>
CAPITAL AND RESERVES			
Called-up equity share capital	20	233	175
Share premium account	22	174	174
Other reserves	22	299,942	—
Profit and loss account	22	1,106,118	1,052,663
SHAREHOLDERS' FUNDS		<u>1,406,467</u>	<u>1,053,012</u>

These financial statements were approved by the directors and authorised for issue on 29 September 2011, and are signed on their behalf by



B I TRENCH
Director

Company Registration Number 03802356

The notes on pages 11 to 23 form part of these financial statements.

A-BELCO PROPERTY LIMITED

GROUP CASH FLOW CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	24	372,291	93,283
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		3,367	52,145
Interest paid		(30,010)	(37,248)
NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(26,643)	14,897
TAXATION		3,929	(35,022)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(76,804)	(81,672)
Net receipts from sale of fixed assets		640,326	-
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE		563,522	(81,672)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		913,099	(8,514)
FINANCING	24	(678,622)	161,247
INCREASE IN CASH	24	234,477	152,733

The notes on pages 11 to 23 form part of these financial statements.

A-BELCO PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Basis of consolidation

On 24 December 2010 a group reconstruction took place whereby A-Belco Property Limited acquired the share capital of A-Belco (Holdings) Limited in a share for share exchange. After consideration of the substance of the transaction, the directors consider merger accounting to be the most appropriate treatment.

As a result the group reorganisation has been accounted for using the merger accounting principles set out in FRS6 'Acquisitions and Mergers'. Accordingly the group's financial information has been presented as if the current group structure has always been in place. As a result the current and comparative period financial information includes the full year results of A-Belco (Holdings) Limited and its subsidiary undertakings.

Turnover

Turnover shown in the profit and loss account represents goods dispatched and where there is an entitlement to invoice, exclusive of Value Added Tax.

Turnover in respect of long term contracts and contracts for on-going services is recognised by reference to the stage of completion, and represents the value of work done in the year, including estimates of amounts not invoiced.

Fixed assets

All fixed assets are initially recorded at cost.

Investment properties are held at directors' valuation. In accordance with SSAP19 Investment Properties, no depreciation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. Permanent diminutions in value below cost are charged in the profit and loss account. The requirement of the Companies Act 2006 is to depreciate all properties, but the directors consider that to depreciate such properties would not give a true and fair view, as the properties are not held for consumption but for investment, and that a true and fair view is given by following SSAP19 as described above.

During the year investment properties have been re-classified as freehold properties and are treated in line with FRS15 Tangible Fixed Assets, as these are now principally occupied by group entities.

All tangible fixed assets are stated at their historic cost. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful lives of the assets concerned.

A-BELCO PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

1 ACCOUNTING POLICIES *(continued)*

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

Freehold Property	-	2% straight line
Short Lease Property -		2% to 50% straight line
Plant & Machinery	-	5% to 33% straight line
Fixtures & Fittings	-	5% to 33% straight line
Motor Vehicles	-	10% to 33% straight line

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 valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate

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

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

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the 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

A-BELCO PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

1 ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates an externally administered Stakeholder Pension Scheme. The pension costs are charged to the profit and loss account in the period in which they are payable.

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 group after deducting all of its liabilities.

2 TURNOVER

An analysis of turnover is given below:

	2011 £	2010 £
United Kingdom	6,760,787	4,792,682
Overseas sales	837,681	222,867
	<u>7,598,468</u>	<u>5,015,549</u>

3 OPERATING LOSS

Operating loss is stated after charging:

	2011 £	2010 £
Depreciation of owned fixed assets	145,815	169,840
Depreciation of assets held under hire purchase agreements	4,500	15,001
Operating lease costs		
- Other	70,344	(85,643)
Auditor's remuneration	<u>22,135</u>	<u>16,950</u>
	2011 £	2010 £
Auditor's remuneration - audit of the financial statements	15,600	11,450
- taxation services	5,660	5,500
- other services	<u>875</u>	<u>-</u>

A-BELCO PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

4. PARTICULARS OF EMPLOYEES

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

	2011	2010
	No	No
Number of production staff	42	41
Number of administrative staff	34	31
	<u>76</u>	<u>72</u>

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	1,969,875	1,652,573
Social security costs	165,159	94,847
Other pension costs	35,577	23,028
	<u>2,170,610</u>	<u>1,770,449</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011	2010
	£	£
Remuneration receivable	41,442	61,624
Value of company pension contributions to money purchase schemes	—	4,410
	<u>41,442</u>	<u>66,034</u>

6. PROFIT ON DISPOSAL OF FIXED ASSETS

	2011	2010
	£	£
Profit on disposal of fixed assets	<u>640,326</u>	<u>—</u>

The profit on the disposal of fixed assets relates to the sale of non-capitalised intellectual property, less associated selling costs. The effects of the exceptional item reported after operating profit on the amounts charged to the profit and loss account for taxation was £179,291.

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Interest payable on bank borrowing	30,010	27,530
Other similar charges payable	—	9,718
	<u>30,010</u>	<u>37,248</u>

A-BELCO PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

8 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011 £	2010 £
Current tax		
UK Corporation tax based on the results for the year at 28% (2010 - 28%)	236,685	39,513
(Over)/under provision in prior year	16,079	2,005
Total current tax	<u>252,764</u>	<u>41,518</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2010 - 28%)

	2011 £	2010 £
Profit/(loss) on ordinary activities before taxation	<u>459,404</u>	<u>(410,247)</u>
Profit/(loss) on ordinary activities by rate of tax	128,633	(114,869)
Expenses not deductible for tax purposes	37,875	5,917
Unutilised losses, accelerated capital allowances and other short term timing differences	70,177	148,465
Adjustments to tax charge in respect of previous periods	16,079	2,005
Total current tax (note 8(a))	<u>252,764</u>	<u>41,518</u>

(c) Factors that may affect future tax charges

The group has approximately £2,097,000 trading losses carried forward at 31 March 2011, available for offset against future profits of the same trade. No deferred tax asset has been recognised in relation to these losses due to restrictions over their use and therefore uncertainty as to the timing of any utilisation or their recovery.

Recent budget statements have announced a staged reduction in the standard rate of corporation tax down to 23%. The first of these (reduction to 26%) takes effect from 01 April 2011 and therefore has no effect on these financial statements, but if enacted as proposed these changes will tend to reduce future tax charges.

9 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £53,455 (2010 - £112,113)

A-BELCO PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

10. TANGIBLE FIXED ASSETS

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST					
At 1 April 2010	1,809,707	312,384	1,076,064	44,995	3,243,150
Additions	–	52,382	24,422	–	76,804
Transfers	–	296,278	(296,278)	–	–
At 31 March 2011	1,809,707	661,044	804,208	44,995	3,319,954
DEPRECIATION					
At 1 April 2010	76,279	230,394	860,121	15,001	1,181,795
Charge for the year	15,796	50,110	79,909	4,500	150,315
Transfers	–	238,510	(238,510)	–	–
At 31 March 2011	92,075	519,014	701,520	19,501	1,332,110
NET BOOK VALUE					
At 31 March 2011	1,717,632	142,030	102,688	25,494	1,987,844
At 31 March 2010	1,733,428	81,990	215,943	29,994	2,061,355

Hire purchase agreements

Included within the net book value of £1,987,844 is £25,494 (2010 - £29,994) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £4,500 (2010 - £15,001).

Company	Freehold Property £	Fixtures & Fittings £	Total £
COST			
At 1 April 2010	1,604,283	609	1,604,892
At 31 March 2011	1,604,283	609	1,604,892
DEPRECIATION			
At 1 April 2010	–	609	609
Charge for the year	5,348	–	5,348
At 31 March 2011	5,348	609	5,957
NET BOOK VALUE			
At 31 March 2011	1,598,935	–	1,598,935
At 31 March 2010	1,604,283	–	1,604,283

A-BELCO PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

10. TANGIBLE FIXED ASSETS *(continued)*

The freehold property was previously treated as an investment property, and was valued at the company's balance sheet date on an open market basis by the Directors, as they were held for the purpose of leasing under operating leases. On the historical cost basis the cost of the investment properties carried at valuation was £1,604,283.

Due to the group restructure, these properties are considered to be principally owner occupied. They are now treated in line with FRS15 Tangible Fixed Assets and are held at historic cost.

Included within the cost of freehold property of £1,604,283 is £553,761 in relation to freehold land that is not depreciated.

11. INVESTMENTS

Company	Total £
COST	
At 1 April 2010	230,000
Additions	360,000
At 31 March 2011	<u>590,000</u>
NET BOOK VALUE	
At 31 March 2011	<u>590,000</u>
At 31 March 2010	<u>230,000</u>

During the year the company acquired 100% of the issued A Ordinary and B Ordinary share capital of A-Belco (Holdings) Limited, as well as the remaining 37.6% of the preference share capital. As a result the company directly owns 100% of the issued share capital and voting rights of A-Belco (Holdings) Limited, and indirectly owns 100% of the issued share capital of A-Belco Limited, 100% of the issued share capital of MEP Solutions Limited, and 100% of the issued share capital of Hadar Lighting Limited (dormant). All companies are incorporated in the United Kingdom. This has been accounted for using merger accounting in line with FRS6 'Acquisitions and Mergers'.

	2011 £	2010 £
Aggregate capital and reserves		
A-Belco (Holdings) Limited	36,322	(163,678)
A-Belco Limited	840,217	295,249
MEP Solutions Limited	(926,744)	(729,493)
Hadar Lighting Limited (Dormant)	<u>1</u>	<u>-</u>
Profit and (loss) for the year		
A-Belco (Holdings) Limited	-	-
A-Belco Limited	544,968	(85,807)
MEP Solutions Limited	(197,251)	(672,694)
Hadar Lighting Limited (Dormant)	<u>-</u>	<u>-</u>

A-BELCO PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

12 STOCKS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Raw materials	390,923	349,467	-	-
Work in progress	17,333	67,210	-	-
Finished goods	79,398	101,754	-	-
	<u>487,654</u>	<u>518,431</u>	<u>-</u>	<u>-</u>

13 DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	1,797,776	1,204,748	-	-
Amounts owed by group undertakings	-	-	511,781	74,504
Other debtors	12,236	29,865	3,929	-
Directors current accounts	73,027	455,817	73,027	792,979
Prepayments and accrued income	55,952	45,634	-	-
	<u>1,938,991</u>	<u>1,736,064</u>	<u>588,737</u>	<u>867,483</u>

Included within other debtors is £3,929 (2010 £nil) due after more than one year

Amounts due from group undertakings are unsecured and interest free

14 CREDITORS Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Overdraft	312,681	307,186	-	-
Bank loans	77,617	75,533	77,617	75,533
Trade creditors	962,603	822,056	-	6,903
Amounts owed to group undertakings	-	-	76,924	83,766
Hire purchase agreements	17,224	21,773	-	-
Directors' loan accounts	230,912	-	230,912	-
Corporation tax	296,203	39,510	107,985	39,510
Other taxation and social security	461,698	213,245	39,223	25,164
Other creditors	495,484	407,115	3,000	-
Accruals and deferred income	250,267	354,014	4,000	2,000
	<u>3,104,689</u>	<u>2,240,431</u>	<u>539,661</u>	<u>232,876</u>

The bank loan is secured on the investment properties, and the hire purchase agreements are secured over the assets to which they relate

A-BELCO PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

15. CREDITORS. Amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	32,908	110,689	32,908	110,689
Directors' loan accounts	900,000	1,500,000	900,000	1,500,000
Other creditors	17,500	17,500	17,500	17,500
	<u>950,408</u>	<u>1,628,189</u>	<u>950,408</u>	<u>1,628,189</u>

The loan is with A W Kelly, bears no interest and is repayable upon the sale of the properties held by A-Belco Property Limited

16 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts payable within 1 year	17,224	21,773	-	-
	<u>17,224</u>	<u>21,773</u>	<u>-</u>	<u>-</u>

17. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2011 the group had annual commitments under non-cancellable operating leases as set out below

Group	2011		2010	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire				
Within 1 year	-	1,512	-	7,257
Within 2 to 5 years	-	9,902	-	9,195
	<u>-</u>	<u>11,414</u>	<u>-</u>	<u>9,195</u>

18 CONTINGENCIES

The company issued a guarantee of £250,000 to Lloyds Bank on behalf of MEP Solutions Limited with regards to their overdraft facility with the bank

A-BELCO PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

19 RELATED PARTY TRANSACTIONS

The group has taken advantage of disclosure exemptions within FRS8

At the year end the group had a balance of £73,027 (2010 £15,717) due from A W Kelly and £nil (2010 £440,100) due from the estate of M J Kelly, included within debtors

At the year end the group had a balance of £230,912 (2010 £nil) due to G Kelly, included within creditors falling due within one year

At the year end the group had a balance of £900,000 (2010 £1,500,000) due to A W Kelly included under creditors falling due after more than one year

During the year the group paid fees totalling £185,124 (2010 £109,000) to C-Change Consultancy Limited, a company of which B Trench is a director. At the year-end there was a balance of £nil (2010 £37,863) due to C-Change Consultancy Limited included within other creditors

During the year fees totalling £nil (2010 £54,396) were paid to the shareholders of the group

20. SHARE CAPITAL

Allotted, called up and fully paid:

	2011 No	£	2010 No	£
1,938,778 Ordinary A shares (2010 - 1,744,900) of £0.0001 each	1,938,778	194	1,744,900	175
387,756 Ordinary B shares of £0.0001 each	387,756	39	-	-
	<u>2,326,534</u>	<u>233</u>	<u>1,744,900</u>	<u>175</u>

During the year the company issued 193,878 'A' ordinary shares with a nominal value of £19.39 and 387,756 'B' ordinary shares with a nominal value of £38.78 in connection with the acquisition of A-Belco (Holdings) Limited and its associated subsidiaries

Rights of shareholders

Ordinary, 'A' ordinary and 'B' ordinary shares have equal rights in all respects

21. ULTIMATE CONTROLLING PARTY

The directors consider the ultimate controlling parties to be G Kelly and A W Kelly

A-BELCO PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

22. RESERVES

Group	Share premium account £	Merger reserve £	Profit and loss account £
Balance brought forward	174	1,901,310	(1,240,011)
Profit for the year	-	-	206,640
Movements on group reorganisation	-	(60,059)	-
Balance carried forward	<u>174</u>	<u>1,841,251</u>	<u>(1,033,371)</u>

On 24 December 2010 A-Belco Property Limited merged with A-Belco (Holdings) Limited as part of a group reconstruction

Company	Share premium account £	Merger reserve £	Profit and loss account £
Balance brought forward	174	-	1,052,663
Profit for the year	-	-	53,455
Movements on group reorganisation	-	299,942	-
Balance carried forward	<u>174</u>	<u>299,942</u>	<u>1,106,118</u>

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit/(Loss) for the financial year	206,640	(451,765)
New ordinary share capital subscribed	58	-
Movements arising on group reorganisation	(60,059)	1,901,310
Net addition to shareholders' funds/(deficit)	146,639	1,449,545
Opening shareholders' funds/(deficit)	661,648	(787,897)
Closing shareholders' funds	<u>808,287</u>	<u>661,648</u>

24. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating loss	(154,279)	(425,144)
Depreciation	150,315	184,841
Decrease/(increase) in stocks	30,777	19,505
Increase in debtors	(198,998)	836,306
Increase in creditors	604,535	(292,225)
Non cash movement on merger reserve	(60,059)	(230,000)
Net cash inflow/(outflow) from operating activities	<u>372,291</u>	<u>93,283</u>

A-BELCO PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

24 NOTES TO THE CASH FLOW STATEMENT *(continued)*

FINANCING

	2011 £	2010 £
Issue of equity share capital	58	–
Increase in/(repayment of) overdraft	5,495	208,880
Repayment of bank loans	(75,697)	(69,406)
Capital element of hire purchase	(4,549)	21,773
Net outflow from other long-term creditors	(3,929)	–
Repayment of directors' long-term loans	(600,000)	–
Net cash (outflow)/inflow from financing	<u>(678,622)</u>	<u>161,247</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011 £	2010 £
Increase in cash in the period	234,477	152,733
Net cash (inflow) from/outflow from overdraft	(5,495)	(208,880)
Net cash outflow from bank loans	75,697	69,406
Cash outflow in respect of hire purchase	4,549	(21,773)
Net cash outflow from other long-term creditors	3,929	–
Cash outflow from/(inflow) from directors' long-term loans	600,000	–
	<u>913,157</u>	<u>(8,514)</u>
Change in net debt	913,157	(8,514)
Net debt at 1 April 2010	<u>(1,818,263)</u>	<u>(1,809,749)</u>
Net debt at 31 March 2011	<u>(905,106)</u>	<u>(1,818,263)</u>

A-BELCO PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

24 NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2010 £	Cash flows £	At 31 Mar 2011 £
Net cash			
Cash in hand and at bank	214,418	234,477	448,895
Debt			
Debt due within 1 year	(382,719)	(7,579)	(390,298)
Debt due after 1 year	(1,628,189)	681,710	(946,479)
Hire purchase agreements	(21,773)	4,549	(17,224)
	<u>(2,032,681)</u>	<u>678,680</u>	<u>(1,354,001)</u>
Net debt	<u>(1,818,263)</u>	<u>913,157</u>	<u>(905,106)</u>