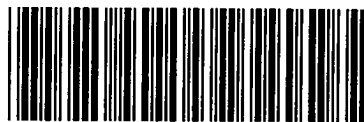


Registered number: 03881238

A-Belco Limited
Directors' report and financial statements
31 March 2014

MONDAY



A3IE1AIZ

A26

13/10/2014

#2

COMPANIES HOUSE

A-Belco Limited

Officers and professional advisers

Directors	R G Scott B I Trench L Billings (appointed 1 October 2013)
Company secretary	B I Trench
Registered number	03881238
Registered office	Jubilee Industrial Estate Ashington Northumberland NE63 8UG
Independent auditor	UNW LLP Chartered Accountants & Statutory Auditor Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Lloyds Bank Plc 102 Grey Street Newcastle upon Tyne NE99 1SL

A-Belco Limited

Contents

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report to the members of A-Belco Limited	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 17

A-Belco Limited

Strategic report

Year ended 31 March 2014

Principal activities

The principal activities of the company during the year were the manufacture of explosion proof electrical equipment enclosures, control stations and lighting; British Standard industrial plugs, sockets and combination units for the control and distribution of electrical power; electrical equipment switchgear for industrial, rail, and infrastructure applications. The company also produces innovative LED and industrial lighting products, with a range of products specified for use in Zone 1 hazardous areas.

Business review & key performance indicators

2014 has been another good year for the company with core sales rising by another 30%. Project sales have however been subject to client delays, resulting in an overall sales decline of 12%. Excluding the effect of project sales, export sales have grown again by 43% and margins remain relatively stable.

Distribution costs have risen as a result of the appointment of additional UK, UAE and US Sales Representatives and the establishment of branch offices in Houston, Texas, and Ras al Khaimah, in anticipation of aggressive growth plans for 2015-2017. The company continues to invest in its people and will look to further strengthen the management team in line with growth expectations.

Principal risks and uncertainties

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

Cash flow risk

The group's activities expose it primarily to the financial risks of slow payment from trade receivables. In order to mitigate these risks the group uses invoice discounting to expedite receipts from sales.

Credit risk

The company'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 credit insurance in place which provides a level of comfort in respect of this risk.

Liquidity risk

The company 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 company has good credit facilities with suppliers and works closely with them to maintain this.

This report was approved by the board on 1 September 2014 and signed on its behalf by:



B I Trench
Director

A-Belco Limited

Directors' report Year ended 31 March 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

Results and dividends

The profit for the year, after taxation, amounted to £683,250 (2013 - £1,482,097).

Particulars of dividends paid are detailed in note 16 to the financial statements.

Directors

The directors who served during the year were:

R G Scott
B I Trench
L Billings (appointed 1 October 2013)

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.

Auditor

The auditor, UNW LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 1 September 2014 and signed on its behalf by:



B I Trench
Director

A-Belco Limited

Directors' responsibilities statement Year ended 31 March 2014

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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.

Independent auditor's report to the members of A-Belco Limited

We have audited the financial statements of A-Belco Limited for the year ended 31 March 2014, set out on pages 6 to 17. 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 strategic report and 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 31 March 2014 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 matters prescribed by the Companies Act 2006

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



Independent auditor's report to the members of A-Belco Limited

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.

A handwritten signature in black ink, appearing to read 'Andrew Wilson', is written over the printed name.

Andrew Wilson BA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

1 September 2014

A-Belco Limited

Profit and loss account Year ended 31 March 2014

	Note	2014 £	2013 £
Turnover	2	9,277,015	10,589,824
Cost of sales		<u>(5,355,235)</u>	<u>(5,976,716)</u>
Gross profit		3,921,780	4,613,108
Distribution costs		<u>(513,846)</u>	<u>(228,721)</u>
Administrative expenses		<u>(2,647,821)</u>	<u>(2,590,666)</u>
Operating profit	3	760,113	1,793,721
Interest receivable and similar income		52	7
Interest payable and similar charges	6	<u>(19,644)</u>	<u>(14,509)</u>
Profit on ordinary activities before taxation		740,521	1,779,219
Tax on profit on ordinary activities	7	<u>(57,271)</u>	<u>(297,122)</u>
Profit for the financial year	14	<u>683,250</u>	<u>1,482,097</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 8 to 17 form part of these financial statements.

A-Belco Limited

Balance sheet At 31 March 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	8		603,188		356,176
Current assets					
Stocks	9	1,170,172		956,376	
Debtors	10	2,044,635		1,824,293	
Cash at bank and in hand		229,384		938,146	
		<u>3,444,191</u>		<u>3,718,815</u>	
Creditors: amounts falling due within one year	11	<u>(2,468,763)</u>		<u>(1,752,542)</u>	
Net current assets			<u>975,428</u>		<u>1,966,273</u>
Total assets less current liabilities			<u>1,578,616</u>		<u>2,322,449</u>
Creditors: amounts falling due after more than one year	12		<u>(12,071)</u>		<u>(23,154)</u>
Net assets			<u><u>1,566,545</u></u>		<u><u>2,299,295</u></u>
Capital and reserves					
Called up share capital	13		80,000		80,000
Profit and loss account	14		<u>1,486,545</u>		<u>2,219,295</u>
Shareholders' funds	15		<u><u>1,566,545</u></u>		<u><u>2,299,295</u></u>

The financial statements were approved and authorised for issue by the board on 1 September 2014 and were signed on its behalf by:



B I Trench
Director

Company registration number: 03881238

The notes on pages 8 to 17 form part of these financial statements.

A-Belco Limited

Notes to the financial statements

Year ended 31 March 2014

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

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 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.

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.

1.3 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:

Plant and machinery	-	5% to 33% straight line
Motor vehicles	-	10% to 33% straight line
Fixtures and fittings	-	5% to 33% straight line

1.4 Finance leases

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.

1.5 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

A-Belco Limited

Notes to the financial statements Year ended 31 March 2014

1. Accounting policies (continued)

1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 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.

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.9 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.

A-Belco Limited

Notes to the financial statements Year ended 31 March 2014

2. Turnover

The whole of the turnover is attributable to the one principal activity of the company.

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	5,601,391	4,650,561
Rest of world	3,675,624	5,939,263
	<u>9,277,015</u>	<u>10,589,824</u>

3. Notes to the profit and loss account

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of tangible fixed assets:		
-owned by the company	111,512	87,158
- held under hire purchase agreements	12,573	12,573
(Profit) / loss on disposal of fixed assets	(2,379)	2,701

Auditor's remuneration

Audit of these financial statements	6,100	6,100
-------------------------------------	-------	-------

Amounts receivable by the auditors and their associates in respect of:

Other services relating to taxation	<u>1,900</u>	<u>1,900</u>
-------------------------------------	--------------	--------------

A-Belco Limited

Notes to the financial statements Year ended 31 March 2014

4. Staff costs

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

	2014 £	2013 £
Wages and salaries	1,574,240	1,668,453
Social security costs	146,057	146,100
Other pension costs	31,657	25,358
	<u>1,751,954</u>	<u>1,839,911</u>

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

2014 No.	2013 No.
<u>68</u>	<u>61</u>

5. Directors' remuneration

	2014 £	2013 £
Remuneration	<u>262,369</u>	<u>401,690</u>
Company pension contributions to defined contribution pension schemes	<u>6,222</u>	<u>4,550</u>

During the year retirement benefits were accruing to 2 directors (2013 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £148,202 (2013 - £267,510).

6. Interest payable

	2014 £	2013 £
On bank loans and overdrafts	14,167	10,105
On finance leases and hire purchase contracts	2,468	4,404
On loans from group undertakings	3,009	-
	<u>19,644</u>	<u>14,509</u>

A-Belco Limited

Notes to the financial statements Year ended 31 March 2014

7. Taxation

	2014 £	2013 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	60,590	297,122
Adjustments in respect of prior periods	(3,319)	-
Tax on profit on ordinary activities	57,271	297,122

a) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	740,521	1,779,219
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	170,320	427,013
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	48,861	45,033
Capital allowances for year in excess of depreciation	(60,824)	(37,210)
Adjustments to tax charge in respect of prior periods	(3,319)	(38,657)
Marginal relief	(1,718)	-
Effect of change in closing deferred tax rate	6,813	5,893
R & D tax relief	(102,862)	(104,950)
Current tax charge for the year (see note above)	57,271	297,122

b) Factors that may affect future tax charges

The company has trading losses carried forward as at 31 March 2014 of approximately £490,000 (2013: £571,000) 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.

A-Belco Limited

Notes to the financial statements Year ended 31 March 2014

8. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2013	641,779	664,437	118,495	1,424,711
Additions	27,080	292,954	57,183	377,217
Disposals	(6,942)	-	(13,991)	(20,933)
At 31 March 2014	661,917	957,391	161,687	1,780,995
Depreciation				
At 1 April 2013	560,747	473,584	34,204	1,068,535
Charge for the year	33,463	56,964	33,658	124,085
On disposals	(6,943)	-	(7,870)	(14,813)
At 31 March 2014	587,267	530,548	59,992	1,177,807
Net book value				
At 31 March 2014	74,650	426,843	101,695	603,188
At 31 March 2013	81,032	190,853	84,291	356,176

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2014 £	2013 £
Motor vehicles	22,816	35,390

9. Stocks

	2014 £	2013 £
Raw materials	968,009	728,003
Work in progress	86,596	156,577
Finished goods and goods for resale	115,567	71,796
	1,170,172	956,376

A-Belco Limited

Notes to the financial statements Year ended 31 March 2014

10. Debtors

	2014 £	2013 £
Trade debtors	1,824,011	1,580,046
Amounts owed by group undertakings	15,145	69,768
Directors current accounts	-	25,000
Corporation tax	64,113	-
VAT	36,584	-
Other debtors	5,898	72,509
Prepayments and accrued income	98,884	76,970
	<u>2,044,635</u>	<u>1,824,293</u>

11. Creditors:

Amounts falling due within one year

	2014 £	2013 £
Invoice discounting facility	994,955	-
Net obligations under finance leases and hire purchase contracts	11,083	9,804
Trade creditors	1,175,161	1,234,615
Amounts owed to group undertakings	162,563	-
Corporation tax	-	90,243
Other taxation and social security	58,443	48,326
Other creditors	36,846	117,678
Accruals and deferred income	29,712	251,876
	<u>2,468,763</u>	<u>1,752,542</u>

The invoice discounting facility is secured by a debenture over all the company's assets in favour of Lloyds TSB Commercial Finance dated 30 April 2009. An omnibus guarantee dated 6 March 2014 was entered into by the company and MEP Solutions Limited where each party cross guarantees the others' debts to Lloyds Bank PLC.

12. Creditors:

Amounts falling due after more than one year

	2014 £	2013 £
Net obligations under finance leases and hire purchase contracts	<u>12,071</u>	<u>23,154</u>

A-Belco Limited

Notes to the financial statements Year ended 31 March 2014

12. Creditors:
Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2014 £	2013 £
Between one and five years	<u>12,071</u>	<u>23,154</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

13. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
40,000 'A' ordinary shares of £1 each	40,000	40,000
40,000 'B' ordinary shares of £1 each	40,000	40,000
	<u>80,000</u>	<u>80,000</u>

14. Reserves

	Profit and loss account £
At 1 April 2013	2,219,295
Profit for the financial year	683,250
Dividends: Equity capital	(1,416,000)
At 31 March 2014	<u>1,486,545</u>

A-Belco Limited

Notes to the financial statements

Year ended 31 March 2014

15. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	2,299,295	1,511,774
Profit for the financial year	683,250	1,482,097
Dividends (Note 16)	(1,416,000)	(774,576)
Shares issued during the year	-	80,000
Closing shareholders' funds	<u>1,566,545</u>	<u>2,299,295</u>

16. Dividends

	2014 £	2013 £
Dividends paid on equity capital	<u>1,416,000</u>	<u>774,576</u>

17. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £31,657 (2013: £25,358). Contributions totalling £4,850 (2013: £3,316) were payable to the fund at the balance sheet date and are included in creditors.

18. Operating lease commitments

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Within 1 year	511	-
Between 2 and 5 years	910	-
After more than 5 years	<u>238,500</u>	<u>216,000</u>

A-Belco Limited

Notes to the financial statements

Year ended 31 March 2014

19. Ultimate controlling party

The company is a wholly owned subsidiary of A-Belco (Holdings) Limited, incorporated in England. The ultimate parent company at the balance sheet date is A-Belco Property Limited, incorporated in England. The smallest group in which they are consolidated is that headed by A-Belco (Holdings) Limited. The largest group in which they are consolidated is that headed by A-Belco Property Limited.

The consolidated financial statements of A-Belco (Holdings) Limited and A-Belco Property Limited are available to the public and may be obtained from Jubilee Industrial Estate, Ashington, Northumberland, NE63 8UG.

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

Subsequent to year end, A-Belco Property Limited's shareholding in A-Belco (Holdings) Limited was acquired by Kelly Group Ventures Limited, wholly owned by G Kelly and A W Kelly.

20. Related party disclosures

During the year the company made various recharges in respect of administrative expenses to and from MEP Solutions Limited, a company which is under common control of A-Belco (Holdings) Limited. At the year end there is a balance of £15,142 (2013: £1,427) included within debtors.

On 6 March 2014, the company entered into an omnibus guarantee in favour of Lloyds Bank PLC cross guaranteeing the debts of MEP Solutions Limited.

During the year A-Belco Property Limited, the ultimate parent company, charged A-Belco Limited £227,250 (2013: £133,548) for the rental of a property. At the year end there is a balance of £162,563 due to A-Belco Property Limited, included within creditors (2013: £68,341 due from A-Belco Property Limited, included within debtors).

During the year the company paid £3,009 interest (2013 - £nil) on a loan from A-Belco Property Limited

During the year fees totalling £39,780 (2013: £81,524) have been paid to C Change Consultancy Limited, a company of which B I Trench is a director. At the year end there is a balance of £1,080 (2013: £720) due to C Change Consultancy Limited which is included within creditors.

During the year fees totalling £69,647 (2013: £nil) have been paid to A Kelly Consultancy Limited, a company wholly owned by A Kelly, a director of A-Belco Property Limited.

At 31 March 2014 B I Trench owed £nil (2013: £25,000).