

Registered number: 04212515

A-Belco (Holdings) Limited
Directors' report and financial statements

31 March 2014

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A-Belco (Holdings) Limited

Company Information

Directors	A W Kelly B I Trench L Billings (appointed 27 May 2014)
Company secretary	B I Trench
Registered number	04212515
Registered office	Jubilee Industrial Estate Ashington Northumberland NE63 8UG
Independent auditor	UNW LLP Chartered Accountants & Statutory Auditors Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Lloyds Bank Plc 102 Grey Street Newcastle upon Tyne NE99 1SL

A-Belco (Holdings) Limited

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A-Belco (Holdings) Limited

Group strategic report Year ended 31 March 2014

Principal activities

The principal activity of the company during the year was that of a holding company.

The principal activities of the group 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 and manufactures and supplies prefabricated mechanical and electrical modules to the construction industry servicing schools, hospitals, commercial and retail projects.

Business review & key performance indicators

The group has experienced another positive year, consolidating on the growth achieved in previous years. Revenues have been maintained, with margins slightly reduced due to product mix.

In the group's dealings with the construction industry, it has seen another year of growth with revenues improving by 31% and gross margin by 7%. The gross margin percentage has decreased slightly due to product mix. The engineering design and co-ordination element of the business has been split off into its own entity MEP BIM Solutions Limited from the 1st of April 2014 with further growth anticipated in 2015.

In the other main business area of the group, the manufacture of electrical products and lighting, the group has had another year of growth in the core business with revenues up by 30% over 2013 levels. However due to client delays, revenues from projects are down leading to an overall sales decline of 12%. Gross margins have remained relatively stable, with distribution costs increasing due to investment in sales representatives and offices in Ras al Khaimah, and Houston, Texas. This investment is an integral part of the group's future growth strategy as is further investment to strengthen the group's management and its international presence and achieving vertical integration through acquisition. To this end on 30th May 2014 the group acquired 100% of Opsol UK Limited, a PCB manufacturer based in Cramlington.

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

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 and to delayed conversion of long term work in progress to sales. In order to mitigate these risks the group uses invoice discounting to expedite receipts from sales. Procedures are also in place to ensure applications for payment on long term projects are submitted at the earliest opportunity. However as the profitability of the group has been improving the group is building cash reserves to mitigate any future cash flow risk.

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

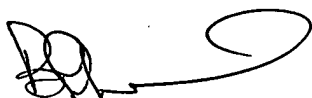
A-Belco Holdings Limited

Group strategic report (continued) **Year ended 31 March 2014**

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.

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



B I Trench
Director

A-Belco Holdings 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 £1,221,517 (2013 - £2,099,126).

Particulars of dividends paid are detailed in note 17 to the financial statements.

Directors

The directors who served during the year were:

A W Kelly
B I Trench

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 and the group'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 and the group's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, UNW LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



B I Trench
Director

A-Belco (Holdings) Limited

Directors' responsibilities statement Year ended 31 March 2014

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

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

Independent auditor's report to the shareholders of A-Belco (Holdings) Limited

We have audited the financial statements of A-Belco (Holdings) Limited for the year ended 31 March 2014, set out on pages 7 to 22. 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 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 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 group's and the parent company's affairs as at 31 March 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Group 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 shareholders of A-Belco (Holdings) 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 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.



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

1 September 2014

A-Belco (Holdings) Limited

Consolidated profit and loss account Year ended 31 March 2014

	Note	2014 £	2013 £
Turnover	2	15,259,119	15,167,547
Cost of sales		<u>(9,240,091)</u>	<u>(8,572,002)</u>
Gross profit		6,019,028	6,595,545
Distribution costs		<u>(838,486)</u>	<u>(408,299)</u>
Administrative expenses		<u>(3,882,018)</u>	<u>(3,805,333)</u>
Operating profit	3	1,298,524	2,381,913
Interest receivable and similar income		121	17
Interest payable and similar charges	6	<u>(19,857)</u>	<u>(15,983)</u>
Profit on ordinary activities before taxation	3	1,278,788	2,365,947
Tax on profit on ordinary activities	7	<u>(57,271)</u>	<u>(266,821)</u>
Profit for the financial year	15	<u>1,221,517</u>	<u>2,099,126</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 10 to 22 form part of these financial statements.

A-Belco Holdings Limited

Consolidated balance sheet At 31 March 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	8		706,362		405,359
Current assets					
Stocks	10	1,311,600		1,289,388	
Debtors	11	3,441,416		2,303,153	
Cash at bank and in hand		240,609		1,516,354	
		<u>4,993,625</u>		<u>5,108,895</u>	
Creditors: amounts falling due within one year	12	<u>(3,469,994)</u>		<u>(3,103,269)</u>	
Net current assets			<u>1,523,631</u>		<u>2,005,626</u>
Total assets less current liabilities			<u>2,229,993</u>		<u>2,410,985</u>
Creditors: amounts falling due after more than one year	13		<u>(36,646)</u>		<u>(23,155)</u>
Net assets			<u><u>2,193,347</u></u>		<u><u>2,387,830</u></u>
Capital and reserves					
Called up share capital	14		208,012		208,012
Share premium account	15		100,895		100,895
Other reserves	15		130,288		1,469,530
Profit and loss account	15		<u>1,754,152</u>		<u>609,393</u>
Shareholders' funds	16		<u><u>2,193,347</u></u>		<u><u>2,387,830</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: 04212515

The notes on pages 10 to 22 form part of these financial statements.

A-Belco Holdings Limited

Company balance sheet At 31 March 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Investments	9		826,451		826,448
Current assets					
Cash at bank		50		51	
Creditors: amounts falling due within one year	12	(3)		-	
Net current assets			47		51
Total assets less current liabilities			826,498		826,499
Creditors: amounts falling due after more than one year	13		(1)		(1)
Net assets			826,497		826,498
Capital and Reserves					
Called up share capital	14		208,012		208,012
Share premium account	15		100,895		100,895
Other reserves	15		71,726		71,726
Profit and loss account	15		445,864		445,865
Shareholders' funds	16		826,497		826,498

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: 04212515

The notes on pages 10 to 22 form part of these financial statements.

A-Belco (Holdings) 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 Basis of consolidation

The financial statements consolidate the accounts of A-Belco (Holdings) Limited and all of its subsidiary undertakings ('subsidiaries').

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

1.3 Turnover

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

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.

1.4 Tangible fixed assets and depreciation

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

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

1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

A-Belco (Holdings) Limited

Notes to the financial statements

Year ended 31 March 2014

1. Accounting policies (continued)

1.6 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.

1.7 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.

1.8 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

1.9 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.

1.10 Pensions

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

A-Belco (Holdings) Limited

Notes to the financial statements

Year ended 31 March 2014

1. Accounting policies (continued)

1.11 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all its liabilities.

2. Turnover

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

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	11,490,985	9,169,978
Rest of world	3,768,134	5,997,569
	<u>15,259,119</u>	<u>15,167,547</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	131,284	105,681
- held under hire purchase agreements	12,573	12,573
(Profit) / loss on disposal of fixed assets	(2,379)	7,177
Net loss / (profit) on foreign currency translation	1,698	(1,031)

Auditors' remuneration

Audit of these financial statements	12,200	12,200
Amounts receivable by the auditors and their associates in respect of:		
Other services relating to taxation	<u>3,650</u>	<u>3,650</u>

Amounts receivable by the company's auditor in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent A-Belco Property Limited.

A-Belco (Holdings) 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	2,819,946	3,076,781
Social security costs	267,201	231,992
Other pension costs	52,045	39,788
	<u>3,139,192</u>	<u>3,348,561</u>

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

	2014 No.	2013 No.
Production staff	49	42
Administrative staff	74	59
	<u>123</u>	<u>101</u>

5. Directors' remuneration

	2014 £	2013 £
Remuneration	<u>171,333</u>	<u>346,693</u>

During the year retirement benefits were accruing to no directors (2013 - nil) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £171,333 (2013 - £346,693).

6. Interest payable

	2014 £	2013 £
On bank loans and overdrafts	14,380	11,578
On finance leases and hire purchase contracts	2,468	4,404
On loans from parent company	3,009	-
Finance charges on shares classed as financial liabilities	-	368,473
Reduction in redeemable value of financial liabilities	-	(368,472)
	<u>19,857</u>	<u>15,983</u>

A-Belco (Holdings) 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	266,821
Adjustments in respect of prior periods	(3,319)	-
Tax on profit on ordinary activities	57,271	266,821

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	1,278,788	2,365,947
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	294,122	567,827
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	62,373	48,604
Adjustments to tax charge in respect of prior periods	(3,319)	(68,957)
Marginal relief	(1,718)	-
Unutilised losses, accelerated capital allowances and other short term timing differences	(162,127)	(147,363)
Effect of change in closing deferred tax rate	16,633	13,065
R & D tax relief	(148,693)	(146,355)
Current tax charge for the year (see note above)	57,271	266,821

Factors that may affect future tax charges

The group has trading losses carried forward as at 31 March 2014 of approximately £962,000 (2013: £1,441,000) 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 (Holdings) Limited

Notes to the financial statements Year ended 31 March 2014

8. Tangible fixed assets

Group	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 April 2013	682,777	126,245	758,269	1,567,291
Additions	36,080	106,333	308,567	450,980
Disposals	(6,942)	(13,991)	-	(20,933)
At 31 March 2014	711,915	218,587	1,066,836	1,997,338
Depreciation				
At 1 April 2013	590,683	35,011	536,238	1,161,932
Charge for the year	36,918	38,148	68,791	143,857
On disposals	(6,943)	(7,870)	-	(14,813)
At 31 March 2014	620,658	65,289	605,029	1,290,976
Net book value				
At 31 March 2014	91,257	153,298	461,807	706,362
At 31 March 2013	92,094	91,234	222,031	405,359

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

Group	2014 £	2013 £
Motor vehicles	59,716	35,390

9. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
A-Belco Limited	Ordinary	100%
MEP Solutions Limited	Ordinary	100%
Hadar Lighting Limited (Dormant)	Ordinary	100%
Hadar Lighting Inc (Dormant)	Ordinary	100%

A-Belco (Holdings) Limited

Notes to the financial statements

Year ended 31 March 2014

9. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 March 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
A-Belco Limited	1,566,545	683,250
MEP Solutions Limited	626,754	538,269
Hadar Lighting Limited (Dormant)	1	-
Hadar Lighting Inc (Dormant)	3	-
		Investments in subsidiary companies £
Company		
Cost or valuation		
At 1 April 2013		826,448
Additions		3
At 31 March 2014		826,451
Net book value		
At 31 March 2014		826,451
At 31 March 2013		826,448

Details of the principal subsidiaries can be found under note number 23.

10. Stocks

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Raw materials	1,102,535	1,035,265	-	-
Work in progress	86,596	156,577	-	-
Finished goods and goods for resale	122,469	97,546	-	-
	1,311,600	1,289,388	-	-

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2014

11. Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	2,912,247	2,081,517	-	-
Amounts owed by group undertakings	-	68,341	-	-
Directors current accounts	-	25,000	-	-
Other debtors	6,894	15,835	-	-
Prepayments and accrued income	131,109	112,460	-	-
Amounts recoverable on long term contracts	327,054	-	-	-
Tax recoverable	64,112	-	-	-
	3,441,416	2,303,153	-	-

12. Creditors: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	61,818	-	-	-
Payments received on account	26,759	-	-	-
Net obligations under finance leases and hire purchase contracts	22,409	9,804	-	-
Trade creditors	1,974,757	2,059,718	-	-
Amounts owed to group undertakings	162,563	-	3	-
Corporation tax	-	90,243	-	-
Other taxation and social security	108,710	155,594	-	-
Invoice discounting facility	994,955	-	-	-
Other creditors	63,894	123,371	-	-
Accruals and deferred income	54,129	664,539	-	-
	3,469,994	3,103,269	3	-

The invoice discounting facility is secured by a debenture over the assets of A-Belco Limited in favour of Lloyds TSB Commercial Finance dated 30 April 2009.

The overdraft is secured by a debenture over the assets of MEP Solutions Limited in favour of Lloyds Bank PLC dated 16 April 2010.

An omnibus guarantee dated 6th March 2014, was entered into by A-Belco Limited and MEP Solutions Limited where each party cross guarantees the others' debts to Lloyds Bank PLC. A further debenture in favour of Lloyds Bank PLC dated 6 December 2012 is in place over the assets of A-Belco Holdings Limited.

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2014

13. Creditors: Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	36,645	23,154	-	-
Share capital treated as debt (Note 14)	1	1	1	1
	<u>36,646</u>	<u>23,155</u>	<u>1</u>	<u>1</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 14.

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

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Between one and five years	36,645	23,154	-	-

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

14. Share capital

	2014	2013
	£	£
Shares classified as capital		
Allotted, called up and fully paid		
6,413,693 'A' Ordinary shares shares of £0.01 each	64,137	64,137
14,387,474 'B' Ordinary shares shares of £0.01 each	143,875	143,875
	<u>208,012</u>	<u>208,012</u>
Shares classified as debt		
Allotted, called up and fully paid		
2,834,411 Deferred shares shares of £0.13 each	1	1

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2014

14. Share capital (continued)

Rights of shareholders as at 31 March 2014

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

Deferred shares have no right to receive any dividends declared by the company, have no entitlement to vote and have no right to participate in the distribution of the company's assets and/or capital upon winding up, liquidation or other return of capital. The company is entitled to purchase all of the deferred shares in issue for £1. The company purchased the shares for £1 on 1 April 2014.

15. Reserves

	Share premium account £	Merger reserve £	Profit and loss account £
Group			
At 1 April 2013	100,895	1,469,530	609,393
Profit for the financial year	-	-	1,221,517
Dividends: Equity capital	-	-	(1,416,000)
Elimination of capital redemption reserve in subsidiary	-	(1,339,242)	1,339,242
At 31 March 2014	<u>100,895</u>	<u>130,288</u>	<u>1,754,152</u>
	Share premium account £	Merger reserve £	Profit and loss account £
Company			
At 1 April 2013	100,895	71,726	445,865
Profit for the financial year	-	-	1,415,999
Dividends: Equity capital	-	-	(1,416,000)
At 31 March 2014	<u>100,895</u>	<u>71,726</u>	<u>445,864</u>

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2014

16. Reconciliation of movement in shareholders' funds

	2014	2013
Group	£	£
Opening shareholders' funds	2,387,830	288,704
Profit for the financial year	1,221,517	2,099,126
Dividends (Note 17)	(1,416,000)	-
Closing shareholders' funds	<u>2,193,347</u>	<u>2,387,830</u>
Company	2014	2013
	£	£
Opening shareholders' funds	826,498	51,923
Profit for the financial year	1,415,999	774,575
Dividends (Note 17)	(1,416,000)	-
Closing shareholders' funds	<u>826,497</u>	<u>826,498</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The profit for the year dealt with in the accounts of the company was £1,415,999 (2013 - £774,575).

17. Dividends

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

18. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £52,045 (2013: £39,788). Contributions totalling £8,711 (2013: £7,176) were payable to the fund at the balance sheet date and are included in creditors.

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2014

19. Operating lease commitments

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

Group	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within 1 year	-	-	511	-
Between 2 and 5 years	-	-	910	-
After more than 5 years	238,500	238,500	-	-

20. Post balance sheet events

On 30 May 2014, A-Belco Holdings Limited acquired 100% of the share capital of Opsol UK Limited, a PCB manufacturer based in Cramlington.

On 1 April 2014, the engineering division of MEP Solutions Limited was hived off into a separate entity, MEP BIM Solutions Limited.

21. Ultimate controlling party

The company is a majority owned subsidiary of A-Belco Property Limited which is the ultimate parent company, incorporated in England.

The consolidated financial statements of 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 the 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.

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2014

22. Related party disclosures

In accordance with FRS8, transactions with wholly owned group undertakings within the A-Belco Holdings Limited group, which eliminate on consolidation, have not been disclosed in these financial statements.

During the year A-Belco Property Limited, the ultimate parent company, charged the A-Belco Holdings Limited group £227,250 (2013: £200,322) for the rental of 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 group paid £3,009 interest (2013 - £nil) on a loan from A-Belco Property Limited

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.

During the year dividends totalling £168,600 were paid to B Trench, a director of the company.

During the year the group paid fees totalling £65,700 (2013: £96,284) to C Change Consultancy Limited, a company of which B I Trench is a director. At the year end there is a balance of £2,160 (2013: £3,600) due to C Change Consultancy Limited, included within creditors.

At the year end B I Trench owed £nil (2013: £25,000) to the group, included within debtors, all of which was repaid on 28 April 2013. He also owed £nil (2013: £415), included within creditors.

23. Principal subsidiaries

Company name	Country	Percentage Shareholding	Nature of business
A-Belco Limited	UK	100%	Electrical manufacturer
MEP Solutions Limited	UK	100%	Electrical & mechanical manufacturer
Hadar Lighting Limited	UK	100%	Dormant
Hadar Lighting Inc	US	100%	Dormant