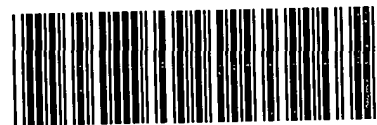


A-Belco (Holdings) Limited
Directors' report and financial statements
31 March 2015

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A-Belco (Holdings) Limited

Officers and professional advisers

Directors	A W Kelly B I Trench
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 2015

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 group 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. It also designs and manufactures printed circuit boards.

Business review & key performance indicators

The group has experienced a difficult year, with the decline in the oil and gas industry having a negative impact on a number of divisions within A-Belco Limited. To compound this a number of major construction projects were deferred in the year which has resulted in a significant decline in the performance of MEP Solutions Limited although this will reverse in the next year when the projects commence. On a plus point, the acquisition of Opsol UK Limited in April 2014 has had a significant positive impact on the group's results adding turnover of £3.25m at a gross margin of 36%.

Overall revenue across the group dropped by 51% after stripping out the impact of the Opsol acquisition whilst gross margin dropped from 40% to 32%. Including the impact of the Opsol acquisition, revenue fell by 30% with a gross margin of 33%.

Following the decline in core hazardous area lighting sales, A-Belco Limited has taken steps to mitigate this by diversifying into commercial lighting for sports arenas, ports, warehouses etc. The company expects lighting sales to increase in the coming years on the back of this move. MEP Solutions Limited and MEP BIM Solutions Limited are expected to grow in the next year following the commencement of the projects postponed from 2014/15 and a general bounce back in the construction industry. Add to this expected growth in Opsol UK Limited and the directors expect a significant increase in revenue and profit going forward.

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 2015**

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 21 December 2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'B I Trench', followed by a large, loopy flourish.

B I Trench
Director

A-Belco (Holdings) Limited

Directors' report Year ended 31 March 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

Results and dividends

The loss for the year, after taxation, amounted to £1,963,142 (2014 - profit £1,221,517).

Particulars of dividends paid are detailed in note 22 to the financial statements.

Directors

The directors who served during the year were:

A W Kelly
B I Trench
L Billings (appointed 27 May 2014 & resigned 30 April 2015)

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

Pursuant to section 487(2) of the Companies Act 2006, the auditor will be deemed to be reappointed and UNW LLP will therefore continue in office.

This report was approved by the board on 21 December 2015 and signed on its behalf by:



B I Trench
Director

A-Belco (Holdings) Limited

Directors' responsibilities statement Year ended 31 March 2015

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 members of A-Belco (Holdings) Limited

We have audited the financial statements of A-Belco (Holdings) Limited for the year ended 31 March 2015, set out on pages 7 to 27. 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 2015 and of the group's loss 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 members 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 BA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

21 December 2015

A-Belco (Holdings) Limited

Consolidated profit and loss account Year ended 31 March 2015

	Note	2015 £	2014 £
Turnover	2		
Continuing operations		7,388,517	15,259,119
Acquisitions		3,250,239	-
		<u>10,638,756</u>	<u>15,259,119</u>
Cost of sales	3	<u>(7,142,058)</u>	<u>(9,240,091)</u>
Gross profit		3,496,698	6,019,028
Distribution costs	3	(489,002)	(838,486)
Administrative expenses	3	<u>(4,935,279)</u>	<u>(3,882,018)</u>
Operating (loss)/profit			
Continuing operations		(2,591,322)	1,298,524
Acquisitions		663,739	-
		<u>(1,927,583)</u>	<u>1,298,524</u>
Interest receivable and similar income		1,684	121
Interest payable and similar charges	7	<u>(91,989)</u>	<u>(19,857)</u>
(Loss)/profit on ordinary activities before taxation		(2,017,888)	1,278,788
Tax on (loss)/profit on ordinary activities	8	<u>54,746</u>	<u>(57,271)</u>
(Loss)/profit for the financial year	20	<u>(1,963,142)</u>	<u>1,221,517</u>

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

The notes on pages 11 to 27 form part of these financial statements.

A-Belco (Holdings) Limited

Consolidated balance sheet At 31 March 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	9		1,606,485		-
Tangible assets	10		861,187		706,362
			<u>2,467,672</u>		<u>706,362</u>
Current assets					
Stocks	14	1,774,459		1,311,600	
Debtors	15	2,573,013		3,441,416	
Cash at bank and in hand		230,465		240,609	
		<u>4,577,937</u>		<u>4,993,625</u>	
Creditors: amounts falling due within one year	16	(6,618,214)		(3,469,993)	
Net current (liabilities)/assets			<u>(2,040,277)</u>		<u>1,523,632</u>
Total assets less current liabilities			427,395		2,229,994
Creditors: amounts falling due after more than one year	17		(194,857)		(36,646)
Provisions for liabilities					
Deferred tax	18		(2,332)		-
Net assets			<u>230,206</u>		<u>2,193,348</u>
Capital and reserves					
Called up share capital	19		208,012		208,012
Share premium account	20		100,895		100,895
Other reserves	20		130,288		130,288
Profit and loss account	20		(208,989)		1,754,153
Shareholders' funds	21		<u>230,206</u>		<u>2,193,348</u>

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


B I Trench
Director

The notes on pages 11 to 27 form part of these financial statements.

A-Belco (Holdings) Limited

Company balance sheet At 31 March 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Investments	11		3,729,017		826,451
Current assets					
Debtors	15	1,277,684		-	
Cash at bank		1,231		50	
		<u>1,278,915</u>		<u>50</u>	
Creditors: amounts falling due within one year	16	<u>(4,170,133)</u>		<u>(3)</u>	
Net current (liabilities)/assets			<u>(2,891,218)</u>		<u>47</u>
Total assets less current liabilities			<u>837,799</u>		<u>826,498</u>
Creditors: amounts falling due after more than one year	17		<u>(182,250)</u>		<u>(1)</u>
Net assets			<u><u>655,549</u></u>		<u><u>826,497</u></u>
Capital and reserves					
Called up share capital	19		208,012		208,012
Share premium account	20		100,895		100,895
Other reserves	20		71,726		71,726
Profit and loss account	20		<u>274,916</u>		<u>445,864</u>
Shareholders' funds	21		<u><u>655,549</u></u>		<u><u>826,497</u></u>

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



B I Trench
Director

Company registration number: 04212515

The notes on pages 11 to 27 form part of these financial statements.

A-Belco (Holdings) Limited

Consolidated cash flow statement Year ended 31 March 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	23	57,488	(268,772)
Returns on investments and servicing of finance	24	(90,305)	(19,736)
Taxation		122,681	(211,626)
Capital expenditure and financial investment	24	(247,661)	(406,580)
Acquisitions and disposals	24	(1,646,542)	-
Equity dividends paid		-	(1,416,000)
Cash outflow before financing		(1,804,339)	(2,322,714)
Financing	24	1,070,269	(9,804)
Decrease in cash in the year		(734,070)	(2,332,518)

Reconciliation of net cash flow to movement in net funds/debt Year ended 31 March 2015

	2015 £	2014 £
Decrease in cash in the year	(734,070)	(2,332,518)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(1,070,269)	9,804
Change in net debt resulting from cash flows	(1,804,339)	(2,322,714)
Finance leases acquired with subsidiary undertaking	(39,747)	-
New finance leases	-	(35,900)
Movement in net debt in the year	(1,844,086)	(2,358,614)
Net (debt)/funds at 1 April 2014	(875,219)	1,483,395
Net debt at 31 March 2015	(2,719,305)	(875,219)

The notes on pages 11 to 27 form part of these financial statements.

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

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').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The acquisition of Opsol UK Limited on 30 May 2014 has been accounted for under the acquisition method where goodwill on consolidation is capitalised and written off over the life of the goodwill. The results of the companies acquired are included in the profit and loss account after the date that control passes.

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 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of 10 years.

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

1. Accounting policies (continued)

1.5 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

1.6 Investments

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

1.7 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.

1.8 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.

1.9 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.

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

1. Accounting policies (continued)

1.10 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.

1.11 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.

2. Turnover

The whole of the turnover is attributable to the principal activities of the group as described in the strategic report.

A geographical analysis of turnover is as follows:

	2015 £	2014 £
United Kingdom	8,670,278	11,490,985
Rest of world	1,968,478	3,768,134
	<u>10,638,756</u>	<u>15,259,119</u>

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

3. Analysis of operating (loss)/profit

	2015 Continuing £	2014 Continuing £
Turnover	10,638,756	15,259,119
Cost of sales	(7,142,058)	(9,240,091)
Gross profit	3,496,698	6,019,028
Distribution costs	(489,002)	(838,486)
Administrative expenses	(4,935,279)	(3,882,018)
	<u>(1,927,583)</u>	<u>1,298,524</u>

The following amounts were included within continuing activities in relation to acquisitions during the year:

	2015 £
Turnover	3,250,239
Cost of sales	(2,089,981)
Gross profit	1,160,258
Distribution costs	(18,034)
Administrative expenses	(478,485)
Operating profit	<u>663,739</u>

4. Notes to the profit and loss account

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

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	239,358	131,284
- held under hire purchase agreements	32,765	12,573
Loss / (profit) on disposal of fixed assets	42,120	(2,379)
Net (profit) / loss on foreign currency translation	(25,690)	1,698

Auditor's remuneration

Audit of these financial statements	<u>17,200</u>	<u>12,200</u>
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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 Kelly Group Ventures Limited.

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

5. Staff costs

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

	2015 £	2014 £
Wages and salaries	3,502,740	2,819,946
Social security costs	307,473	267,201
Other pension costs	60,552	52,045
	<u>3,870,765</u>	<u>3,139,192</u>

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

	2015 No.	2014 No.
Production staff	75	49
Administrative staff	77	74
	<u>152</u>	<u>123</u>

6. Directors' remuneration

	2015 £	2014 £
Remuneration	<u>259,522</u>	<u>171,333</u>

During the year retirement benefits were accruing to no directors (2014 - nil) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £175,615 (2014 - £171,333).

7. Interest payable

	2015 £	2014 £
On bank loans and overdrafts	81,404	14,380
On finance leases and hire purchase contracts	2,985	2,468
On loans from group undertakings	4,086	3,009
Other interest payable	3,514	-
	<u>91,989</u>	<u>19,857</u>

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

8. Taxation

	2015 £	2014 £
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax (credit)/charge on (loss)/profit for the year	(56,625)	60,590
Adjustments in respect of prior periods	(453)	(3,319)
Total current tax	<u>(57,078)</u>	<u>57,271</u>
Deferred tax (see note 18)		
Origination and reversal of timing differences	2,332	-
Tax on (loss)/profit on ordinary activities	<u>(54,746)</u>	<u>57,271</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	<u>(2,017,888)</u>	<u>1,278,788</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	(423,756)	294,122
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	124,243	62,373
Adjustments to tax charge in respect of prior periods	(453)	(3,319)
Group relief	55,216	-
Marginal relief	-	(1,718)
Unutilised losses, accelerated capital allowances and other short term timing differences	185,481	(162,127)
Effect of changes in tax rates	2,191	16,633
R & D tax relief	-	(148,693)
Current tax (credit)/charge for the year (see note above)	<u>(57,078)</u>	<u>57,271</u>

Factors that may affect future tax charges

The group has trading losses carried forward as at 31 March 2015 of approximately £1,733,000 (2014: £962,000) 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 2015

9. Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2014	-
On acquisition of subsidiaries (see note 12)	1,752,529
At 31 March 2015	1,752,529
Amortisation	
At 1 April 2014	-
Charge for the year	146,044
At 31 March 2015	146,044
Net book value	
At 31 March 2015	1,606,485
At 31 March 2014	-

10. Tangible fixed assets

Group	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 April 2014	711,915	218,587	1,066,836	1,997,338
Additions	28,399	77,594	202,815	308,808
Disposals	-	(104,273)	(25,769)	(130,042)
On acquisition of subsidiaries	639,682	11,466	35,893	687,041
At 31 March 2015	1,379,996	203,374	1,279,775	2,863,145
Depreciation				
At 1 April 2014	620,658	65,289	605,029	1,290,976
Charge for the year	93,922	43,541	110,208	247,671
On acquisition of subsidiaries	467,536	7,884	14,666	490,086
On disposals	-	(19,373)	(7,402)	(26,775)
At 31 March 2015	1,182,116	97,341	722,501	2,001,958
Net book value				
At 31 March 2015	197,880	106,033	557,274	861,187
At 31 March 2014	91,257	153,298	461,807	706,362

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

10. Tangible fixed assets (continued)

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

	2015	2014
Group	£	£
Motor vehicles	<u>53,184</u>	<u>59,716</u>

11. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2014	826,451
Additions (see note 12)	<u>2,902,566</u>
At 31 March 2015	<u>3,729,017</u>
Net book value	
At 31 March 2015	<u>3,729,017</u>
At 31 March 2014	<u>826,451</u>

Details of the principal subsidiaries can be found under note number 13.

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

12. Acquisitions

On 30 May 2014 the company acquired 100% of the ordinary share capital of Opsol UK Limited.

	Vendors' book value £	Fair value to the group £
Assets and liabilities acquired		
Tangible fixed assets	172,504	172,504
Stocks	302,851	302,851
Debtors	924,167	924,167
Cash at bank	743,520	743,520
Loans and finance leases	(39,747)	(39,747)
Other creditors and provisions	(953,262)	(953,262)
Net assets acquired	<u>1,150,033</u>	<u>1,150,033</u>
Satisfied by		
Consideration:		
Cash		2,390,062
Contingent consideration		512,500
		<u>2,902,562</u>
Goodwill arising on consolidation (see note 9)		<u>1,752,529</u>

13. 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
MEP BIM Solutions Limited	UK	100%	Building information modelling
Hadar Lighting Limited	UK	100%	Dormant
Hadar Lighting Inc	US	100%	Dormant
Opsol UK Limited	UK	100%	Supply of electrical components

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

14. Stocks

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Raw materials	1,573,786	1,102,535	-	-
Work in progress	87,918	86,596	-	-
Finished goods and goods for resale	112,755	122,469	-	-
	1,774,459	1,311,600	-	-

15. Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	2,023,729	2,912,247	-	-
Amounts owed by group undertakings	-	-	1,277,684	-
Directors' current accounts	61,155	-	-	-
Other debtors	86,029	6,894	-	-
Prepayments and accrued income	198,253	131,109	-	-
Amounts recoverable on long term contracts	203,847	327,054	-	-
Tax recoverable	-	64,112	-	-
	2,573,013	3,441,416	1,277,684	-

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

16. Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	1,699,235	61,818	1,605,802	-
Payments received on account	64,394	26,759	-	-
Net obligations under finance leases and hire purchase contracts	30,662	22,409	-	-
Trade creditors	1,650,160	1,974,757	-	-
Amounts owed to group undertakings	709,478	162,563	2,108,832	3
Corporation tax	98,823	-	-	-
Other taxation and social security	463,107	108,710	-	-
Invoice discounting facility	1,207,266	994,955	-	-
Other creditors	559,414	63,894	452,500	-
Accruals and deferred income	135,675	54,128	2,999	-
	<u>6,618,214</u>	<u>3,469,993</u>	<u>4,170,133</u>	<u>3</u>

Bank loans totalling £1,605,802 (2014: £nil) are on a capital repayment basis with an expected end date of 29 September 2018. The interest rate is 3%. Security for the loan is provided by a debenture over the assets of A-Belco (Holdings) Limited and its subsidiaries. The loan has been classified as due within one year due to a covenant breach at the balance sheet date. The directors are satisfied that they retain the support of Lloyds Bank PLC and that repayments will continue on the basis of the original terms.

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

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.

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

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

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

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	12,607	36,645	-	-
Directors' loan account	139,750	-	-	-
Other creditors	42,500	-	182,250	-
Share capital treated as debt (Note 19)	-	1	-	1
	<u>194,857</u>	<u>36,646</u>	<u>182,250</u>	<u>1</u>

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

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Between one and five years	<u>12,607</u>	<u>36,645</u>	<u>-</u>	<u>-</u>

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

18. Deferred taxation

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
At beginning of year	-	-	-	-
Charge in the profit and loss account in the year	2,332	-	-	-
At end of year	<u>2,332</u>	<u>-</u>	<u>-</u>	<u>-</u>

The provision for deferred taxation is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Accelerated capital allowances	<u>2,332</u>	<u>-</u>	<u>-</u>	<u>-</u>

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

19. Share capital

	2015 £	2014 £
Shares classified as capital		
Allotted, called up and fully paid		
0 (2014: 6,413,693) 'A' Ordinary shares of £0.01 each	-	64,137
0 (2014: 14,387,474) 'B' Ordinary shares of £0.01 each	-	143,875
20,801,167 Ordinary shares of £0.01 each	208,012	-
	<u>208,012</u>	<u>208,012</u>
Shares classified as debt		
Allotted, called up and fully paid		
0 (2014: 2,834,411) Deferred shares of £0.13 each	-	1
	<u>-</u>	<u>1</u>

On 1 April 2014, all share classes were redefined into a single class of ordinary £0.01 shares.

20. Reserves

Group	Share premium account £	Merger reserve £	Profit and loss account £
At 1 April 2014	100,895	130,288	1,754,153
Loss for the financial year	-	-	(1,963,142)
At 31 March 2015	<u>100,895</u>	<u>130,288</u>	<u>(208,989)</u>
Company	Share premium account £	Merger reserve £	Profit and loss account £
At 1 April 2014	100,895	71,726	445,864
Loss for the financial year	-	-	(170,948)
At 31 March 2015	<u>100,895</u>	<u>71,726</u>	<u>274,916</u>

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

21. Reconciliation of movement in shareholders' funds

	2015	2014
Group	£	£
Opening shareholders' funds	2,193,348	2,387,831
(Loss)/profit for the financial year	(1,963,142)	1,221,517
Dividends (Note 22)	-	(1,416,000)
Closing shareholders' funds	230,206	2,193,348

	2015	2014
Company	£	£
Opening shareholders' funds	826,497	826,498
(Loss)/profit for the financial year	(170,948)	1,415,999
Dividends (Note 22)	-	(1,416,000)
Closing shareholders' funds	655,549	826,497

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 loss for the year dealt with in the accounts of the company was £170,948 (2014 - £1,415,999).

22. Dividends

	2015	2014
	£	£
Dividends paid on equity capital	-	1,416,000

23. Net cash flow from operating activities

	2015	2014
	£	£
Operating (loss)/profit	(1,927,583)	1,298,524
Amortisation of intangible fixed assets	146,044	-
Depreciation of tangible fixed assets	247,671	143,857
Loss/(profit) on disposal of tangible fixed assets	42,120	(2,380)
Increase in stocks	(184,460)	(22,212)
Decrease/(increase) in debtors	1,728,461	(1,074,151)
Increase/(decrease) in creditors	5,235	(612,410)
Net cash inflow/(outflow) from operating activities	57,488	(268,772)

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

24. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	1,684	121
Interest paid	(89,004)	(17,389)
Hire purchase interest	(2,985)	(2,468)
Net cash outflow from returns on investments and servicing of finance	(90,305)	(19,736)
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(308,808)	(415,080)
Sale of tangible fixed assets	61,147	8,500
Net cash outflow from capital expenditure	(247,661)	(406,580)
	2015 £	2014 £
Acquisitions and disposals		
Payments to acquire subsidiary undertaking	(2,390,062)	-
Net cash acquired with subsidiary undertaking	743,520	-
Net cash outflow from acquisitions and disposals	(1,646,542)	-
	2015 £	2014 £
Financing		
New secured loans	1,125,802	-
Repayment of finance leases	(55,532)	(9,804)
Shares treated as debt - Redeemed	(1)	-
Net cash inflow/(outflow) from financing	1,070,269	(9,804)

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

25. Analysis of changes in net debt

	1 April 2014 £	Cash flow £	Other non-cash changes £	31 March 2015 £
Cash at bank and in hand	240,609	(10,144)	-	230,465
Bank overdraft	(61,818)	(511,615)	-	(573,433)
Invoice discounting facility	(994,955)	(212,311)	-	(1,207,266)
	<u>(816,164)</u>	<u>(734,070)</u>	<u>-</u>	<u>(1,550,234)</u>
Debt:				
Finance leases	(59,054)	55,532	(39,747)	(43,269)
Debts due within one year	-	(1,125,801)	(1)	(1,125,802)
Debts falling due after more than one year	(1)	-	1	-
	<u>(875,219)</u>	<u>(1,804,339)</u>	<u>(39,747)</u>	<u>(2,719,305)</u>
Net debt	<u>(875,219)</u>	<u>(1,804,339)</u>	<u>(39,747)</u>	<u>(2,719,305)</u>

26. Major non-cash transactions

Finance lease liabilities of £39,747 were assumed on the acquisition of Opsol UK Limited (see note 12).

27. 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 £60,552 (2014: £52,045). Contributions totalling £10,028 (2014: £8,711) were payable to the fund at the balance sheet date and are included in creditors.

28. Operating lease commitments

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
Group	2015 £	2014 £	2015 £	2014 £
Expiry date:				
Within 1 year	511	511	-	-
Between 2 and 5 years	399	910	-	-
	<u>511</u>	<u>910</u>	<u>-</u>	<u>-</u>

A-Belco (Holdings) Limited

Notes to the financial statements Year ended 31 March 2015

29. Ultimate controlling party

The company's ultimate parent undertaking (since 1 April 2014) is Kelly Group Ventures Limited.

The smallest group in which the results of the company are consolidated is that headed by A-Belco (Holdings) Limited. The largest group in which the results of the company are consolidated is that headed by Kelly Group Ventures Limited.

The financial statements of Kelly Group Ventures Limited are available to the public and may be obtained from Jubilee Industrial Estate, Ashington, Northumberland, NE63 8UG.

The ultimate controlling party of the company is considered to be G Kelly and A W Kelly, insofar as they act in concert.

30. Related party disclosures

In accordance with FRS8, transactions involving wholly owned subsidiary 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, a company owned by Kelly Group Ventures Limited, charged the A-Belco (Holdings) Limited group £238,500 (2014: £227,250) for the rental of property. At the balance sheet date there is a balance of £709,475 (2014: £162,563) due to A-Belco Property Limited, included within creditors.

During the year the group paid £4,086 interest (2014: £3,009) on a loan from A-Belco Property Limited

During the year fees totalling £8,333 (2014: £69,647) have been paid to A Kelly Consultancy Limited, a company wholly owned by A W Kelly. At the year end there is a balance of £7,000 (2014: £nil) due to A Kelly Consultancy Limited, included within creditors.

During the year dividends totalling £nil (2014: £168,600) were paid to B I Trench, a director of the company.

During the year the group paid fees totalling £50,900 (2014: £65,700) to C Change Consultancy Limited, a company of which B I Trench is a director. At the year end there is a balance of £2,600 (2014: £2,160) due to C Change Consultancy Limited, included within creditors.

At the year end B I Trench owed £61,155 (2014: £nil) to the group, included within debtors.

At the year end A W Kelly was owed £139,750 (2014: £nil) by the group, included within creditors.