

**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
FOR
CIRCUIT GROUP LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2015**

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CIRCUIT GROUP LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015**

DIRECTORS:

C S Hill
D J Brown
A Hiron

SECRETARY:

C S Hill

REGISTERED OFFICE:

28 Aston Road
Waterlooville
Hampshire
PO7 7XJ

REGISTERED NUMBER:

06092031 (England and Wales)

AUDITORS:

Watson Associates (Audit Services) Ltd
30 - 34 North Street
Hailsham
East Sussex
BN27 1DW

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2015.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

C S Hill
D J Brown
A Hiron

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

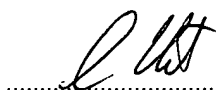
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant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

AUDITORS

The auditors, Watson Associates (Audit Services) Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
C S Hill - Director

Date: 3/5/2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CIRCUIT GROUP LIMITED

We have audited the financial statements of Circuit Group Limited for the year ended 31 December 2015 on pages five to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CIRCUIT GROUP 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report or in preparing the Report of the Directors.



Stephen James Moore FCCA (Senior Statutory Auditor)
for and on behalf of Watson Associates (Audit Services) Ltd
30 - 34 North Street
Hailsham
East Sussex
BN27 1DW

Date:

03/05/2016

CIRCUIT GROUP LIMITED (REGISTERED NUMBER: 06092031)

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015**

| | Notes | 2015 £ | £ | 2014 £ | £ |
|--|-------|-----------|-----------|-----------|-----------|
| TURNOVER | | | 9,140,605 | | 8,754,472 |
| Cost of sales | | | 6,704,514 | | 6,262,514 |
| GROSS PROFIT | | | 2,436,091 | | 2,491,958 |
| Administrative expenses | | | 1,818,419 | | 1,906,046 |
| | | | 617,672 | | 585,912 |
| Other operating income | | | 18,500 | | 24,423 |
| OPERATING PROFIT | 2 | | 636,172 | | 610,335 |
| Income from fixed asset investments | | 19,180 | | 16,089 | |
| Interest receivable and similar income | | 1,243 | | 1,719 | |
| | | | 20,423 | | 17,808 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | | 656,595 | | 628,143 |
| Tax on profit on ordinary activities | 3 | | 133,554 | | 180,671 |
| PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP | | | 523,041 | | 447,472 |

The notes form part of these financial statements

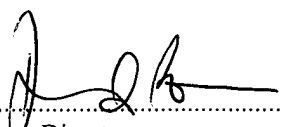
CIRCUIT GROUP LIMITED (REGISTERED NUMBER: 06092031)

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2015**

| | Notes | 2015 £ | 2014 £ |
|--|-------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 54,477 | 60,557 |
| Investments | 7 | 55,000 | 55,000 |
| Investment property | 8 | 353,949 | 356,899 |
| | | <u>463,426</u> | <u>472,456</u> |
| CURRENT ASSETS | | | |
| Stocks | | 450,977 | 443,968 |
| Debtors | 9 | 2,139,820 | 1,966,908 |
| Prepayments and accrued income | | - | 3,000 |
| Cash at bank and in hand | | 210,802 | 228,748 |
| | | <u>2,801,599</u> | <u>2,642,624</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 10 | <u>2,053,968</u> | <u>1,913,336</u> |
| NET CURRENT ASSETS | | <u>747,631</u> | <u>729,288</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,211,057</u> | <u>1,201,744</u> |
| PROVISIONS FOR LIABILITIES | 11 | <u>33,717</u> | <u>41,434</u> |
| NET ASSETS | | <u><u>1,177,340</u></u> | <u><u>1,160,310</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | 30,020 | 30,020 |
| Other reserves | 13 | 143,055 | 143,055 |
| Retained earnings | 13 | 1,004,265 | 987,235 |
| SHAREHOLDERS' FUNDS | | <u><u>1,177,340</u></u> | <u><u>1,160,310</u></u> |

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on 03/05/2016 and were signed on its behalf by:


.....
D J Brown - Director

The notes form part of these financial statements

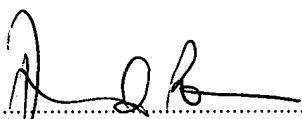
CIRCUIT GROUP LIMITED (REGISTERED NUMBER: 06092031)

**COMPANY BALANCE SHEET
31 DECEMBER 2015**

| | Notes | 2015 £ | 2014 £ |
|--|-------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | - | - |
| Investments | 7 | 1,620,000 | 1,620,000 |
| Investment property | 8 | - | - |
| | | <u>1,620,000</u> | <u>1,620,000</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 10 | <u>1,600,070</u> | <u>1,599,980</u> |
| NET CURRENT LIABILITIES | | <u>(1,600,070)</u> | <u>(1,599,980)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>19,930</u> | <u>20,020</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | 30,020 | 30,020 |
| Retained earnings | 13 | (10,090) | (10,000) |
| SHAREHOLDERS' FUNDS | | <u>19,930</u> | <u>20,020</u> |

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 03/05/2016 and were signed on its behalf by:


D J Brown - Director

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|------------------------------------|------------------------------------|---------------------------|----------------------|
| Balance at 1 January 2014 | 30,020 | (10,000) | 20,020 |
| Changes in equity | | | |
| Dividends | - | (429,851) | (429,851) |
| Total comprehensive income | - | 429,851 | 429,851 |
| Balance at 31 December 2014 | <u>30,020</u> | <u>(10,000)</u> | <u>20,020</u> |
| Changes in equity | | | |
| Dividends | - | (506,011) | (506,011) |
| Total comprehensive income | - | 505,921 | 505,921 |
| Balance at 31 December 2015 | <u>30,020</u> | <u>(10,090)</u> | <u>19,930</u> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard for Smaller Entities (effective January 2015), not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-----------------------|---|
| Short leasehold | - in accordance with the property |
| Plant and machinery | - 25% on cost and 25% on reducing balance |
| Fixtures and fittings | - 25% on cost and 25% on reducing balance |
| Motor vehicles | - 25% on cost and 25% on reducing balance |
| Computer equipment | - 25% on cost |

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Stocks

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

Deferred tax

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

2. OPERATING PROFIT

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

| | 2015 | 2014 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Depreciation - owned assets | 31,197 | 27,811 |
| Profit on disposal of fixed assets | - | (2,198) |
| Audit fees | 10,450 | 12,200 |
| Pension costs | 81,223 | 64,717 |
| | <u> </u> | <u> </u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

2. OPERATING PROFIT - continued

| | | |
|--|-------------------|-------------------|
| Directors' remuneration and other benefits etc | 162,550 | 163,050 |
| | <u> </u> | <u> </u> |

3. TAXATION**Analysis of the tax charge**

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

| | 2015 £ | 2014 £ |
|--------------------------------------|-------------------|-------------------|
| Current tax: | | |
| UK corporation tax | 141,219 | 138,691 |
| Prior year adjustment | 52 | (54) |
| | <u> </u> | <u> </u> |
| Total current tax | 141,271 | 138,637 |
| Deferred tax | (7,717) | 42,034 |
| | <u> </u> | <u> </u> |
| Tax on profit on ordinary activities | <u>133,554</u> | <u>180,671</u> |

4. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £505,921 (2014 - £429,851).

5. DIVIDENDS

| | 2015 £ | 2014 £ |
|-------------------------------|----------------|----------------|
| Ordinary shares of £1.00 each | | |
| Interim | <u>506,011</u> | <u>429,851</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

6. TANGIBLE FIXED ASSETS

Group

| | Short leasehold £ | Plant and machinery £ | Fixtures and fittings £ |
|-----------------------|---------------------------------|-------------------------------------|----------------------------------|
| COST | | | |
| At 1 January 2015 | 57,241 | 46,265 | 139,530 |
| Additions | - | - | 7,168 |
| At 31 December 2015 | 57,241 | 46,265 | 146,698 |
| DEPRECIATION | | | |
| At 1 January 2015 | 40,068 | 46,265 | 139,530 |
| Charge for year | 5,724 | - | 1,792 |
| At 31 December 2015 | 45,792 | 46,265 | 141,322 |
| NET BOOK VALUE | | | |
| At 31 December 2015 | 11,449 | - | 5,376 |
| At 31 December 2014 | 17,173 | - | - |
| | Motor vehicles £ | Computer equipment £ | Totals £ |
| COST | | | |
| At 1 January 2015 | 212,675 | 28,818 | 484,529 |
| Additions | 14,999 | - | 22,167 |
| At 31 December 2015 | 227,674 | 28,818 | 506,696 |
| DEPRECIATION | | | |
| At 1 January 2015 | 169,291 | 28,818 | 423,972 |
| Charge for year | 20,731 | - | 28,247 |
| At 31 December 2015 | 190,022 | 28,818 | 452,219 |
| NET BOOK VALUE | | | |
| At 31 December 2015 | 37,652 | - | 54,477 |
| At 31 December 2014 | 43,384 | - | 60,557 |

CIRCUIT GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2015

7. FIXED ASSET INVESTMENTS

Group

| | Interest in other participating interests £ |
|---|---|
| COST | |
| At 1 January 2015 and 31 December 2015 | 55,000 |
| NET BOOK VALUE | |
| At 31 December 2015 | 55,000 |
| At 31 December 2014 | 55,000 |

Company

| | Shares in group undertakings £ |
|---|---|
| COST | |
| At 1 January 2015 and 31 December 2015 | 1,620,000 |
| NET BOOK VALUE | |
| At 31 December 2015 | 1,620,000 |
| At 31 December 2014 | 1,620,000 |

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

Subsidiaries

Circuit Supply Limited

Nature of business: Supply of electrical equipment

| | % holding | 2015 £ | 2014 £ |
|--------------------------------|--------------|-----------|-----------|
| Class of shares: | | | |
| Ordinary | 100.00 | | |
| Ordinary A Non-Voting | 100.00 | | |
| Aggregate capital and reserves | | 734,116 | 722,922 |
| Profit for the year | | 267,205 | 243,073 |

FCC Electrical Wholesalers Limited

Nature of business: Electrical wholesalers

| | % holding | 2015 £ | 2014 £ |
|--------------------------------|--------------|-----------|-----------|
| Class of shares: | | | |
| Ordinary | 100.00 | | |
| Aggregate capital and reserves | | 2,043,295 | 2,037,369 |
| Profit for the year | | 255,926 | 204,400 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

7. FIXED ASSET INVESTMENTS - continued

8. INVESTMENT PROPERTY

| Group | Total £ |
|---|------------|
| FAIR VALUE | |
| At 1 January 2015 and 31 December 2015 | 385,901 |
| DEPRECIATION | |
| At 1 January 2015 | 29,002 |
| Charge for year | 2,950 |
| At 31 December 2015 | 31,952 |
| NET BOOK VALUE | |
| At 31 December 2015 | 353,949 |
| At 31 December 2014 | 356,899 |

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | |
|---------------|------------------|------------------|
| | 2015 £ | 2014 £ |
| Trade debtors | 1,964,672 | 1,803,711 |
| Other debtors | 175,148 | 163,197 |
| | <u>2,139,820</u> | <u>1,966,908</u> |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|------------------------------------|------------------|------------------|------------------|------------------|
| | 2015 £ | 2014 £ | 2015 £ | 2014 £ |
| Bank loans and overdrafts | 577,047 | 478,328 | - | - |
| Trade creditors | 1,023,195 | 963,211 | - | - |
| Amounts owed to group undertakings | 25,000 | 25,000 | 1,575,070 | 1,574,980 |
| Taxation and social security | 288,708 | 247,595 | - | - |
| Other creditors | 140,018 | 199,202 | 25,000 | 25,000 |
| | <u>2,053,968</u> | <u>1,913,336</u> | <u>1,600,070</u> | <u>1,599,980</u> |

11. PROVISIONS FOR LIABILITIES

| | Group | |
|--------------|---------------|---------------|
| | 2015 £ | 2014 £ |
| Deferred tax | <u>33,717</u> | <u>41,434</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

11. PROVISIONS FOR LIABILITIES - continued

Group

| | Deferred tax £ |
|-----------------------------|----------------------|
| Balance at 1 January 2015 | 41,434 |
| Provided during year | (7,717) |
| | <u>33,717</u> |
| Balance at 31 December 2015 | <u>33,717</u> |

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: £ | 2015 £ | 2014 £ |
|---------|-----------------------|------------------------|---------------|---------------|
| 20,020 | Ordinary | £1.00 | 20,020 | 20,020 |
| 10,000 | Ordinary A Non-Voting | £1.00 | 10,000 | 10,000 |
| | | | <u>30,020</u> | <u>30,020</u> |

13. RESERVES

Group

| | Retained earnings £ | Other reserves £ | Totals £ |
|---------------------|---------------------------|------------------------|------------------|
| At 1 January 2015 | 987,235 | 143,055 | 1,130,290 |
| Profit for the year | 523,041 | | 523,041 |
| Dividends | (506,011) | | (506,011) |
| | <u>1,004,265</u> | <u>143,055</u> | <u>1,147,320</u> |
| At 31 December 2015 | <u>1,004,265</u> | <u>143,055</u> | <u>1,147,320</u> |

Company

| | Retained earnings £ |
|---------------------|---------------------------|
| At 1 January 2015 | (10,000) |
| Profit for the year | 505,921 |
| Dividends | (506,011) |
| | <u>(10,090)</u> |
| At 31 December 2015 | <u>(10,090)</u> |