

# financial statements group

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## AC PLC and subsidiary undertakings

For the year ended 31 March 2014

Company registration number: 06526121

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COMPANIES HOUSE



**MHA MacIntyre Hudson**

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**AC PLC**

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**COMPANY INFORMATION**

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**DIRECTORS**

Andrew C Laing  
Timothy Hill  
Simon Lousada  
Angela Douty  
Jeremy Kershaw

**COMPANY SECRETARY**

Angela Douty

**REGISTERED NUMBER**

06526121

**REGISTERED OFFICE**

Beancroft Farm  
Beancroft Road  
Marston Moretaine  
Bedfordshire  
MK43 0QE

**INDEPENDENT AUDITORS**

MHA MacIntyre Hudson  
Chartered Accountants & Statutory Auditors  
Equipoise House  
Grove Place  
Bedford  
MK40 3LE

**BANKERS**

NatWest Bank PLC  
81 High Street  
Bedford  
MK40 1YN

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**AC PLC**

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AC PLC

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**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2014**

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**BUSINESS REVIEW**

2013/14 was an important year for the Company and saw the Board agree a five year plan to take the Company through to 2019, and how the Business intends to develop a substantial and stable business in each of the groups companies and markets.

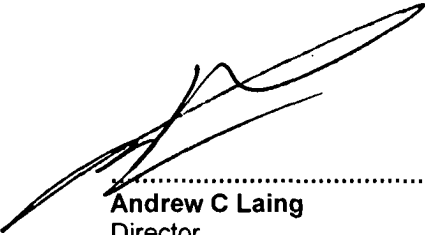
AC also has successfully increased its market presence in Waterproofing and Flooring. We have increased our trade in Residential and Commercial sectors in London. We have moved into the Data Centre market with great success.

**KEY PERFORMANCE INDICATORS**

Headline facts and figures:

- Turnover increased by 35%
- Created 38 more jobs
- 20% reduction in accidents and near misses
- Achieved ISO 18001
- Saw the creation of AC Joinery and AC Welding and Fabrication.

This report was approved by the board and signed on its behalf.



.....  
**Andrew C Laing**  
Director

Date: 12 June 2014

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## AC PLC

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014**

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

#### **PRINCIPAL ACTIVITY**

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

The principal activity of the group was that of the supply and fitting of floor covering and domestic and commercial refurbishments.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 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 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.

#### **RESULTS**

The profit for the year, after taxation, amounted to £938,363 (2013 - £430,388).

#### **DIRECTORS**

The directors who served during the year were:

Andrew C Laing  
Timothy Hill  
Simon Lousada  
Angela Douty  
Jeremy Kershaw

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AC PLC

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2014**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

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 auditors are 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 auditors are aware of that information.

**AUDITORS**

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditors 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 and signed on its behalf.



.....  
**Andrew C Laing**  
Director

Date: 12 June 2014

Beancroft Farm  
Beancroft Road  
Marston Moretaine  
Bedfordshire  
MK43 0QE

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## AC PLC

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AC PLC

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We have audited the financial statements of AC PLC for the year ended 31 March 2014, which comprise the group Profit and Loss Account, the group and company Balance Sheets, the group Cash Flow Statement and the related notes. 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 Auditors' 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 AUDITORS

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 MATTER 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.

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AC PLC

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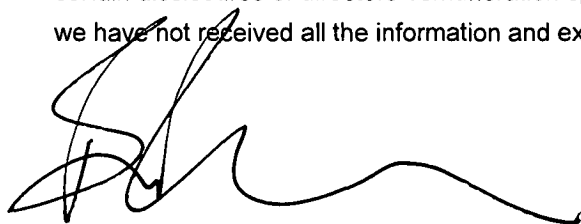
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AC PLC

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**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.



Brian Neil Richens FCA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants

Statutory Auditors

Equipoise House

Grove Place

Bedford

MK40 3LE

12 June 2014



AC PLC

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
<b>TURNOVER</b>	1,2	<b>22,462,990</b>	<b>17,655,386</b>
Cost of sales		<u>(17,850,148)</u>	<u>(13,782,114)</u>
<b>GROSS PROFIT</b>		<b>4,612,842</b>	<b>3,873,272</b>
Administrative expenses		<u>(3,385,930)</u>	<u>(3,228,660)</u>
<b>OPERATING PROFIT</b>	3	<b>1,226,912</b>	<b>644,612</b>
Interest receivable and similar income		<b>141</b>	<b>-</b>
Interest payable and similar charges	6	<u>(11,724)</u>	<u>(44,976)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,215,329</b>	<b>599,636</b>
Tax on profit on ordinary activities	7	<u>(276,966)</u>	<u>(169,248)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	13	<u><b>938,363</b></u>	<u><b>430,388</b></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.

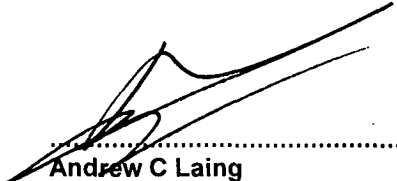
The notes on pages 10 to 23 form part of these financial statements.

**AC PLC**  
**REGISTERED NUMBER: 06526121**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2014**

	Note	£	2014 £	£	2013 £
<b>CURRENT ASSETS</b>					
Stocks		457,446		174,166	
Debtors	9	7,104,494		4,219,604	
Cash at bank		31,724		787,066	
		<u>7,593,664</u>		<u>5,180,836</u>	
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(5,433,103)</u>		<u>(3,741,497)</u>	
<b>NET CURRENT ASSETS</b>			<u>2,160,561</u>		<u>1,439,339</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,160,561</u>		<u>1,439,339</u>
<b>CREDITORS: amounts falling due after more than one year</b>	11		<u>(631,085)</u>		<u>(848,226)</u>
<b>NET ASSETS</b>			<u><u>1,529,476</u></u>		<u><u>591,113</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		50,000		50,000
Profit and loss account	13		<u>1,479,476</u>		<u>541,113</u>
<b>SHAREHOLDERS' FUNDS</b>	14		<u><u>1,529,476</u></u>		<u><u>591,113</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 June 2014.

  
.....  
**Andrew C Laing**  
Director

The notes on pages 10 to 23 form part of these financial statements.

AC PLC  
REGISTERED NUMBER: 06526121

**COMPANY BALANCE SHEET  
AS AT 31 MARCH 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Investments	8		1,335,001		1,335,001
<b>CURRENT ASSETS</b>					
Debtors	9	807,941		12,218	
Cash at bank		8,911		74,312	
		<u>816,852</u>		<u>86,530</u>	
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(679,152)</u>		<u>(542,013)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>137,700</u>		<u>(455,483)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,472,701</u>		<u>879,518</u>
<b>CREDITORS: amounts falling due after more than one year</b>	11		<u>(320,000)</u>		<u>(440,000)</u>
<b>NET ASSETS</b>			<u><u>1,152,701</u></u>		<u><u>439,518</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		50,000		50,000
Profit and loss account	13		1,102,701		389,518
<b>SHAREHOLDERS' FUNDS</b>	14		<u><u>1,152,701</u></u>		<u><u>439,518</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 June 2014.

.....  
**Andrew C Laing**  
Director

The notes on pages 10 to 23 form part of these financial statements.

AC PLC

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	16	(1,141,274)	2,078,180
Returns on investments and servicing of finance	17	(11,583)	(44,976)
Taxation		(169,022)	(98,732)
Capital expenditure and financial investment	17	(20,650)	183,838
Equity dividends paid		-	(81,000)
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<b>(1,342,529)</b>	<b>2,037,310</b>
Financing	17	(220,000)	(578,180)
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(1,562,529)</b>	<b>1,459,130</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(1,562,529)	1,459,130
Cash outflow from decrease in debt and lease financing	220,000	578,180
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(1,342,529)</b>	<b>2,037,310</b>
Net debt at 1 April 2013	(272,934)	(2,310,244)
<b>NET DEBT AT 31 MARCH 2014</b>	<b>(1,615,463)</b>	<b>(272,934)</b>

The notes on pages 10 to 23 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

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**1. ACCOUNTING POLICIES**

**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 AC PLC and all of its subsidiary undertakings ('subsidiaries').

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

The results of subsidiaries sold are included up to the effective date of disposal.

**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.

**1.4 Investments**

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

**1.5 Operating leases**

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

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

**1.6 Stocks and work in progress**

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

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AC PLC

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

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1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

1.8 Foreign currencies

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

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

Exchange gains and losses are recognised in the Profit and Loss Account.

1.9 Pensions

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

2. TURNOVER

The whole of the turnover is attributable to the principal activities of the Group.

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	22,432,090	17,588,156
Rest of European Union	30,900	67,230
	<u>22,462,990</u>	<u>17,655,386</u>

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AC PLC

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

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3. OPERATING PROFIT

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

	2014 £	2013 £
Auditors' remuneration	16,000	12,000
Operating lease rentals:		
- plant and machinery	300,000	-
- other operating leases	25,620	30,287
Difference on foreign exchange	4,332	14,561
	<u>          </u>	<u>          </u>

Auditors' remuneration for the Group is borne by A.C. Flooring Limited.

4. STAFF COSTS

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

	2014 £	2013 £
Wages and salaries	2,029,737	1,379,632
Social security costs	213,358	147,234
Other pension costs	121,175	412,471
	<u>          </u>	<u>          </u>
	<u>2,364,270</u>	<u>1,939,337</u>

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

	2014 No.	2013 No.
Administrative staff	52	31
Directors	5	5
	<u>          </u>	<u>          </u>
	<u>57</u>	<u>36</u>

AC PLC

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**5. DIRECTORS' REMUNERATION**

	2014 £	2013 £
Remuneration	<u>526,450</u>	<u>408,418</u>
Company pension contributions to defined contribution pension schemes	<u>108,830</u>	<u>404,705</u>

During the year retirement benefits were accruing to 5 directors (2013 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £141,033 (2013 - £150,168).

**6. INTEREST PAYABLE**

	2014 £	2013 £
On bank loans and overdrafts	(6,728)	29,976
On other loans	18,452	15,000
	<u>11,724</u>	<u>44,976</u>

**7. TAXATION**

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	277,823	169,878
Adjustments in respect of prior periods	(857)	(377)
<b>Total current tax</b>	<u>276,966</u>	<u>169,501</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(24,021)
Under provision in prior year	-	23,768
<b>Total deferred tax</b>	<u>-</u>	<u>(253)</u>
<b>Tax on profit on ordinary activities</b>	<u>276,966</u>	<u>169,248</u>



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AC PLC

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

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7. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - *higher 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	1,215,329	599,636
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	279,526	143,913
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	1,809
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,903	-
Depreciation for year in excess of capital allowances	-	24,590
Adjustments to tax charge in respect of prior periods	(857)	(377)
Marginal relief	(3,606)	(434)
Current tax charge for the year (see note above)	276,966	169,501

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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AC PLC

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

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8. FIXED ASSET INVESTMENTS

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
A.C. Flooring Limited	Ordinary	100%
AC Resources Limited	Ordinary	100%
AC Build Limited	Ordinary	100%
A C Waterproofing Limited	Ordinary	100%

Name	Business	Registered office
A.C. Flooring Limited	Supply and fitting of floor covering and domestic and commercial refurbishments.	United Kingdom
AC Resources Limited	Dormant	United Kingdom
AC Build Limited	Construction, development and improvement of property	United Kingdom
A C Waterproofing Limited	Erection of roof covering and frames	United Kingdom

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.C. Flooring Limited	1,704,472	817,877
AC Resources Limited	1	-
AC Build Limited	1,432	76,431
A C Waterproofing Limited	5,873	230,872
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AC PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

8. FIXED ASSET INVESTMENTS (continued)

Company	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2013	1,335,001
Additions	1
Disposals	(1)
At 31 March 2014	1,335,001
<b>Net book value</b>	
At 31 March 2014	1,335,001
At 31 March 2013	1,335,001

Following a group re-organisation exercise during the year, the company incorporated AC Resources Limited on 10 July 2013 and acquired 1 Ordinary £1 share. The company also disposed of its £1 investment in A C Waterproofing Limited to A.C. Flooring Limited for £1.

AC Build Limited and A C Waterproofing Limited are subsidiaries of A.C. Flooring Limited.

9. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	1,322,683	659,200	-	-
Amounts owed by group undertakings	-	-	801,878	-
Other debtors	6,063	12,220	6,063	12,218
Prepayments and accrued income	53,655	124,328	-	-
Amounts recoverable on long term contracts	5,722,093	3,423,856	-	-
	<b>7,104,494</b>	<b>4,219,604</b>	<b>807,941</b>	<b>12,218</b>

AC PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

10. CREDITORS:  
Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	896,102	91,774	-	-
Trade creditors	3,057,191	1,902,184	-	-
Amounts owed to group undertakings	-	-	-	363,615
Corporation tax	277,823	169,878	31,583	669
Other taxation and social security (see below)	89,642	317,671	532	573
Directors' loan account	517,037	57,156	517,037	57,156
Other creditors	124,156	60,163	-	-
Accruals and deferred income	351,152	1,022,671	10,000	-
Share capital treated as debt (Note 12)	120,000	120,000	120,000	120,000
	<b>5,433,103</b>	<b>3,741,497</b>	<b>679,152</b>	<b>542,013</b>

Other taxation and social security

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
PAYE/NI control	42,451	40,419	-	-
VAT control	47,191	277,252	532	573
	<b>89,642</b>	<b>317,671</b>	<b>532</b>	<b>573</b>

Disclosure of the terms and conditions attached to the non-equity shares are made in note 12.

The bank loans and overdrafts are secured by

- 1) A debenture dated 1 September 2008 by AC PLC and a debenture dated 30 July 2010 by A.C. Flooring Limited.
- 2) An inter-company cross guarantee given by A.C. Flooring Limited and its parent company AC PLC dated 1 September 2008.
- 3) A further inter-company guarantee given by A.C. Flooring Limited, AC PLC, AC Build Limited, AC Resources Limited, AC Waterproofing Limited and AC Assets LLP dated 23 January 2014.

AC PLC

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**11. CREDITORS:**

**Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	<b>311,085</b>	<b>408,226</b>	-	-
Share capital treated as debt (Note 12)	<b>320,000</b>	<b>440,000</b>	<b>320,000</b>	<b>440,000</b>
	<b>631,085</b>	<b>848,226</b>	<b>320,000</b>	<b>440,000</b>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 12.

Included within the above are amounts falling due as follows:

	<u>Group</u>		<u>Company</u>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Between two and five years</b>				
Bank loans	<b>311,085</b>	<b>408,226</b>	-	-

The bank loans and overdrafts are secured by

1) A debenture dated 30 July 2010.

2) An inter-company cross guarantee given by A.C. Flooring Limited and its parent company AC PLC dated 1 September 2008.

3) A further inter-company guarantee given by A.C. Flooring Limited, AC PLC, AC Build Limited, AC Resources Limited, AC Waterproofing Limited and AC Assets LLP dated 23 January 2014.

**12. SHARE CAPITAL**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Shares classified as capital</b>		
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	<b>50,000</b>	<b>50,000</b>
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
440,000 (2013 - 560,000) zero coupon Redeemable Preference shares of £1 each	<b>440,000</b>	<b>560,000</b>

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**12. SHARE CAPITAL (continued)**

During the year ending 31 March 2013 the company converted 15,000 of its £1 Ordinary shares into 15,000 £1 Ordinary A shares. These shares have the same terms as the ordinary shares (pari passu).

In 2013 the directors offered the Ordinary A shareholders a bonus issue of 800,000 £1 zero coupon Redeemable Preference shares which were taken up in full. The bonus issue was financed using the brought forward share premium account of £785,000 and £15,000 from profit and loss account reserves. Upon agreement to the bonus issue there was an automatic change in the rights attributable to the Ordinary A shares and all rights regarding voting, distribution and capital were removed. These Ordinary A shares were later converted back into Ordinary shares in 2013.

The £1 zero coupon Redeemable Preference shares are redeemable at the company's discretion at par value. During the year 120,000 (2013: 240,000) £1 zero coupon Redeemable Preference shares were redeemed at par value.

**13. RESERVES**

	Profit and loss account £
<b>Group</b>	
At 1 April 2013	541,113
Profit for the financial year	938,363
	<hr/>
At 31 March 2014	1,479,476
	<hr/>
	Profit and loss account £
<b>Company</b>	
At 1 April 2013	389,518
Profit for the financial year	713,183
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At 31 March 2014	1,102,701
	<hr/>

AC PLC

**NOTES TO THE FINANCIAL STATEMENTS  
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**14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
<b>Group</b>		
Opening shareholders' funds	591,113	1,041,725
Profit for the financial year	938,363	430,388
Dividends (Note 15)	-	(81,000)
Bonus issue of zero coupon redeemable preference shares	-	(785,000)
Other movements in profit and loss reserve	-	(15,000)
Closing shareholders' funds	<u>1,529,476</u>	<u>591,113</u>

	2014 £	2013 £
<b>Company</b>		
Opening shareholders' funds	439,518	1,068,213
Profit for the financial year	713,183	252,305
Dividends (Note 15)	-	(81,000)
Bonus issue of zero coupon redeemable preference shares	-	(785,000)
Other movements in profit and loss reserve	-	(15,000)
Closing shareholders' funds	<u>1,152,701</u>	<u>439,518</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 £713,183 (2013 - £252,305).

**15. DIVIDENDS**

	2014 £	2013 £
Dividends paid on equity capital	<u>-</u>	<u>81,000</u>

**16. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating profit	1,226,912	644,612
Loss on disposal of tangible fixed assets	20,650	-
(Increase)/decrease in stocks	(283,280)	31,931
Increase in debtors	(2,884,892)	(88,536)
Increase in creditors	779,336	1,490,173
Net cash (outflow)/inflow from operating activities	<u>(1,141,274)</u>	<u>2,078,180</u>

AC PLC

**NOTES TO THE FINANCIAL STATEMENTS  
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**17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	141	-
Interest paid	(11,724)	(44,976)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u>(11,583)</u>	<u>(44,976)</u>
	2014 £	2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	-	(76,856)
Sale of tangible fixed assets	(20,650)	260,694
<b>Net cash (outflow)/inflow from capital expenditure</b>	<u>(20,650)</u>	<u>183,838</u>
	2014 £	2013 £
<b>Financing</b>		
New secured loans	-	500,000
Repayment of loans	(100,000)	-
Repayment of other loans	-	(838,180)
Shares treated as debt - Redeemed	(120,000)	(240,000)
<b>Net cash outflow from financing</b>	<u>(220,000)</u>	<u>(578,180)</u>

**18. ANALYSIS OF CHANGES IN NET DEBT**

	1 April 2013 £	Cash flow £	Other non-cash changes £	31 March 2014 £
Cash at bank and in hand	787,066	(755,342)	-	31,724
Bank overdraft	-	(807,187)	-	(807,187)
	<u>787,066</u>	<u>(1,562,529)</u>	<u>-</u>	<u>(775,463)</u>
<b>Debt:</b>				
Debts due within one year	(211,774)	220,000	(217,141)	(208,915)
Debts falling due after more than one year	(848,226)	-	217,141	(631,085)
<b>Net debt</b>	<u>(272,934)</u>	<u>(1,342,529)</u>	<u>-</u>	<u>(1,615,463)</u>



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AC PLC

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**19. 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 annual commitment under the scheme is for contributions of £121,175 (2013: £412,471). There were no outstanding or prepaid contributions at the year end (2013: none).

**20. OPERATING LEASE COMMITMENTS**

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

	Land and buildings		2014	Other
	2014	2013		2013
Group	£	£	£	£
Expiry date:				
Within 1 year	-	75,000	-	-

**21. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES**

During the year a joint Directors' loan account existed in favour of two Directors, Andrew C Laing and Claire Laing. The balance outstanding at the year end was £517,037 (2013: £57,156).

**22. RELATED PARTY TRANSACTIONS**

During the year hire charges of £300,000 (2013: nil) were paid to AC Assets LLP, an LLP in which Andrew C Laing and his wife Claire V Laing are the only Designated Members. At the year end an amount of £147,504 (2013: £90,000) was due to AC Assets LLP and is included within trade creditors.

During the year sales of £11,864 (2013: £260,694) were made to AC Assets LLP. An amount of £236,941 (2013: £260,694) was outstanding at the year end due from AC Assets LLP and is included within trade debtors.

During the year the company made purchases from Sports and Sea Tours, a company owned and run by Claire V Laing, totaling £30,880 (2013: nil). At the year end an amount of £4,569 (2013: nil) was outstanding and is included within trade creditors.

During the year the company utilised the services of AC Property Developers LLP, an LLP in which Andrew C Laing is the sole Designated Member, costing £600,000 (2013: nil). An amount of £75,000 (2013: nil) was outstanding at the year end and is included within trade creditors.

During the year the company made sales totaling £18,638 (2013: £25,330) to Lousada Developments Limited, a company in which Mr Simon Lousada is a director. Mr Simon Lousada is also a director of AC PLC, the parent company of A.C. Flooring Limited. At the year end an amount of £9,506 (2013: £1,920) was due from Lousada Developments Limited and is included within trade debtors.

During the year sales of £101,190 (2013: £9,844) were made to Lousada PLC, a company in which Mr Simon Lousada is both a director and shareholder. An amount of £9,014 (2013: nil) was outstanding at the year end due from Lousada PLC and is included within trade debtors.

Further sales totaling £1,460 were made to Simon Lousada privately (2013: nil). An amount of £1,752 was outstanding at the year end (2013: nil) and is included within trade debtors.

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**AC PLC**

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**22. RELATED PARTY TRANSACTIONS (continued)**

The company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions with other members of the group headed by AC PLC. Transactions with other group companies are not disclosed since the ultimate parent company has prepared consolidated financial statements which are publicly available.