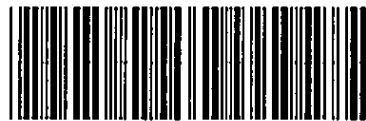


**COMPANY REGISTRATION No.784842**

**AFM HOLDINGS LIMITED**  
**AND SUBSIDIARY COMPANIES**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

**WARD WILLIAMS**  
**REGISTERED AUDITOR**  
**PARK HOUSE, 25 - 27 MONUMENT HILL**  
**WEYBRIDGE, SURREY. KT13 8RT**

THURSDAY



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**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**

**INDEX TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

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**AFM HOLDINGS LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

<b>COMPANY NUMBER</b>	784842
<b>DIRECTORS</b>	P.Merritt Esq
<b>COMPANY SECRETARY</b>	Mrs D.E. Merritt
<b>REGISTERED OFFICE</b>	38 Weyside Road Guildford Surrey
<b>BANKERS</b>	HSBC Bank PLC 168 High Street Guildford Surrey
<b>AUDITORS</b>	Ward Williams Registered Auditors Park House 25 - 27 Monument Hill Weybridge Surrey KT13 8RT

## **AFM HOLDINGS LIMITED**

### **DIRECTOR'S REPORT** **FOR THE YEAR ENDED 30th SEPTEMBER 2008**

The director presents herewith his annual report, together with the audited financial statements of the group for the year ended 30th September 2008

#### **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The group's principal activities during the year were the installation and maintenance of central heating systems and the maintenance of swimming pools. There have not been any significant changes in the group's principal activities in the year under review. The directors are not aware, at the date of this report, of any major changes in the group's principal activities in the next year

As shown in the group's profit and loss account, the group's sales have increased by 15.68% over the prior year with profit after tax falling by 17.48%.

The balance sheet of the financial statements shows that the group's financial position at the year end is, in both net assets and cash terms, broadly consistent with the prior year, with net current assets and shareholders' funds remaining constant.

#### **ENVIRONMENTAL AND SOCIAL RESPONSIBILITY**

The group recognises its environmental and social responsibilities, and understands the importance of the contribution that the group can make.

#### **EMPLOYEES**

The group aims to ensure that its workforce are safe, healthy and fulfilled. To such end, the group has in place a comprehensive health and safety, and training policy and a policy of regular employee appraisal and consultation.

Details of the number of employees and related costs can be found in note 4 to the financial statements.

#### **FUTURE DEVELOPMENTS**

The directors consider that 2009 will be a similar trading year and anticipate trading results in line with the year under review with turnover and profitability remaining constant.

#### **FINANCIAL INSTRUMENTS**

The group's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the group's operations and to finance the group's operations.

Due to the nature of the financial instruments used by the group there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed centrally to maximise interest income whilst ensuring that the group has sufficient liquid resources to meet the operating needs of its businesses. The group is exposed to fair value interest rate risk on its deposits and loans

Investment of cash surpluses are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers wishing to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

#### **RESULTS OF THE OPERATIONS AND DIVIDENDS**

The results of the operations are set out in the profit and loss account on page 5. The director recommends the payment of a dividend of £10 per share.

It is proposed that the Group retained profit of £362,699 is transferred to reserves.

#### **FIXED ASSETS**

Details of changes in fixed assets are given in notes 10 and 11 to the accounts.

#### **DIRECTOR AND HIS INTERESTS**

The director of the company during the year and his beneficial interests, including family interests, in the share capital of the company at the beginning and end of the year were as follows:

	Number of Shares	
	<u>2008</u>	<u>2007</u>
<b><u>P.Merritt Esq</u></b>		
£1 Ordinary shares	2,980	2,980
£1 'A' Ordinary shares	24,122	24,122

#### **Charitable Donations**

	<u>2008</u>	<u>2007</u>
	£	£

During the year the group made the following payments:

Charitable Donations	6,690	3,955
----------------------	-------	-------

The following charitable donations exceeded £200:

Rotary Club of Guildford District	550
Retraining of Racehorses	450
West Surrey Charitable Trust	545
Cancer Research UK	1,500
Worshipful Company of Pavors	2,820

**AFM HOLDINGS LIMITED**

**DIRECTOR'S REPORT (Continued)  
FOR THE YEAR ENDED 30th SEPTEMBER 2008**

**DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The directors' are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping accurate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure to auditor**

(a) So far as the directors are aware, there is no relevant audit information of which the company's auditors are not aware, and  
(b) they have taken reasonable steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

It is proposed that the present auditors, Ward Williams, be re-appointed as auditors to the company to hold office for the ensuing year.

\*\*\*

Approved and signed by the director



P. Merritt Esq  
Director

Date:

29.7.09.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
AFM HOLDINGS LIMITED  
FOR THE YEAR ENDED 30th SEPTEMBER 2008**

We have audited the financial statements of AFM Holdings Ltd for the year ended 30th September 2008 set out on pages 5 to 19. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with s235 of the Companies Act 1985. 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 AUDITORS**

As described in the Statement of Director's Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information specified by law regarding directors remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes the examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**OPINION**

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's and the group's affairs as at 30 September 2008 and its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ward Williams

Date: 30 July 2009

WARD WILLIAMS  
Registered Auditor  
Park House  
25 - 27 Monument Hill  
Weybridge  
Surrey  
KT13 8RT

**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

		<u>2008</u>	<u>2007</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
<b>TURNOVER</b>	1	15,571,655	13,461,333
<b>COST OF SALES</b>		(11,425,107)	(9,455,314)
<b>GROSS PROFIT</b>		<u>4,146,548</u>	<u>4,006,019</u>
Distribution and Administration Costs	2	(3,654,718)	(3,396,595)
<b>OPERATING PROFIT</b>		<u>491,830</u>	<u>609,424</u>
Other Interest Receivable and similar income	5	21,399	18,836
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>513,229</u>	<u>628,260</u>
Taxation on profit on ordinary activities	6	(152,918)	(191,628)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u><u>360,311</u></u>	<u><u>436,632</u></u>

The Profit and Loss account has been prepared on the basis that all operations are continuing operations.

The company has no recognised gains or losses for the year other than the trading profit.


The annexed notes form part of these financial statements.

**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**

**CONSOLIDATED BALANCE SHEET  
FOR THE YEAR ENDED 30th SEPTEMBER 2008**

	<u>Notes</u>	<u>2008</u>	<u>2007</u>
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	8	4,848	4,848
Tangible assets	10	330,156	320,602
		<u>335,004</u>	<u>325,450</u>
<b>CURRENT ASSETS</b>			
Stocks	12	288,107	337,491
Debtors	13	4,477,866	3,287,644
Investments	21	0	9,600
Cash at bank and in hand		1,545,214	1,591,773
		<u>6,311,187</u>	<u>5,226,508</u>
<b>CURRENT LIABILITIES - amounts falling due within one year</b>	14	(4,523,272)	(3,598,840)
<b>NET CURRENT ASSETS</b>		<u>1,787,915</u>	<u>1,627,668</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,122,919	1,953,118
Provision for Liabilities and Charges	15	(43,926)	(43,926)
<b>NET ASSETS</b>		<u>2,078,993</u>	<u>1,909,192</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	75,000	75,000
Share premium account		993	993
Capital reserve - arising on consolidation		14,242	14,242
Profit and Loss Account	17	1,988,758	1,818,957
Shareholders funds - Equity interest		<u>2,078,993</u>	<u>1,909,192</u>

APPROVED AND SIGNED BY THE DIRECTOR :



P. Merritt Esq  
Director

The annexed notes form part of these financial statements.

Date: 29.10.09.

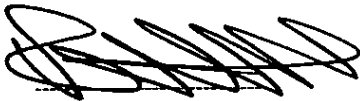


**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**

**COMPANY BALANCE SHEET  
FOR THE YEAR ENDED 30th SEPTEMBER 2008**

		<u>2008</u>		<u>2007</u>	
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>FIXED ASSETS</b>					
Investments	9		290,310		290,310
Tangible assets	11		<u>308,280</u>		<u>296,292</u>
			598,590		586,602
<b>CURRENT ASSETS</b>					
Debtors	13	1,375,321		1,715,888	
Investments	21	0		9,600	
Cash at bank and in hand		<u>1,148,098</u>		<u>1,147,602</u>	
		2,523,419		2,873,090	
<b>CURRENT LIABILITIES-</b>					
amounts falling due within one year	14	<u>(2,415,665)</u>		<u>(2,599,613)</u>	
<b>NET CURRENT ASSETS</b>					
			107,754		273,477
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>706,344</u>		<u>860,079</u>
Provision for Liabilities and charges	15		(43,926)		(43,926)
<b>NET ASSETS</b>					
			<u>662,418</u>		<u>816,153</u>
Financed by:					
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		75,000		75,000
Share premium			993		993
Profit and loss account	17		<u>586,425</u>		<u>740,160</u>
Shareholders funds - Equity interest			<u>662,418</u>		<u>816,153</u>

APPROVED AND SIGNED BY THE DIRECTOR :



P. Merritt Esq  
Director

Date: 29.7.09

The annexed notes form part of these financial statements.

**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30th SEPTEMBER 2008**

	<u>Notes</u>	<u>£</u>	<u>2008</u> <u>£</u>	<u>£</u>	<u>2007</u> <u>£</u>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>A</b>		433,981		394,451
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>					
Interest Received		<u>21,399</u>		<u>18,836</u>	
<b>Net Cash inflow from returns on investment and servicing of finance</b>			21,399		18,836
<b>Dividends</b>					
Dividend paid			(190,510)		(450,255)
<b>Taxation</b>					
Corporation tax			(189,738)		(205,509)
<b>Capital Expenditure and Investment</b>					
Purchase of fixed assets		(123,133)		(93,101)	
Sale of fixed assets		33,775		18,850	
Sale of Investments		<u>13,300</u>		<u>(9,400)</u>	
<b>Net cash (outflow) for Capital expenditure</b>			(76,058)		(83,651)
<b>Financing</b>					
Loan Increase		96,000		54,000	
Repayments of loan		<u>(141,633)</u>		<u>(92,725)</u>	
			(45,633)		(38,725)
<b>(DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>C</b>		<u>(46,559)</u>		<u>(364,853)</u>

**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

**NOTES TO THE CASHFLOW STATEMENT**

**A. RECONCILIATION OF OPERATING PROFIT  
TO NET CASH INFLOW  
FROM OPERATING OPERATIONS**

	<u>2008</u>	<u>2007</u>
	£	£
<b>Net cash inflow from operations</b>		
Operating profit	491,830	609,424
<b>Adjustment for non cash items</b>		
Depreciation charges	76,584	76,775
(Profit)/ Loss on disposal of fixed assets	3,220	(1,500)
(Profit)/ Loss on disposal of investments	(3,700)	0
<b>Changes in working capital</b>		
(Increase)/ Decrease in stocks	49,384	180,209
Decrease/ (Increase) in debtors	(1,190,222)	(20,774)
(Decrease)/ Increase in creditors	1,006,885	(449,683)
<b>Net cash inflow from continuing operating activities</b>	<u>433,981</u>	<u>394,451</u>

**B. ANALYSIS OF CHANGES IN CASH AND CASH  
EQUIVALENTS DURING THE YEAR**

Balance at 1.10.07	1,591,773	1,956,626
Net cash (outflow)/ inflow	(46,559)	(364,853)
Balance at 30.9.08	<u>1,545,214</u>	<u>1,591,773</u>
<b>Represented by:</b>		
Cash at bank and in hand	<u>1,545,214</u>	<u>1,591,773</u>

**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

**NOTES TO THE CASHFLOW STATEMENT CONTD.**

**C. ANALYSIS OF NET DEBT**

	<u>2008</u>	<u>2007</u>	<u>Change</u> <u>In Year</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Net Cash :-			
Cash at bank and in hand	1,545,214	1,591,773	(46,559)
Debt :-			
Debts falling due within one year	(264,934)	(310,567)	45,633
Net Fund	<u>1,280,280</u>	<u>1,281,206</u>	<u>(926)</u>

**D. RECONCILIATION OF NET CASH FLOW TO  
MOVEMENT IN NET FUNDS**

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Increase/(Decrease) in Cash in the year	(46,559)	(364,853)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	<u>45,633</u>	<u>69,633</u>
	(926)	(295,220)
<b>Movement in net funds in year</b>	(926)	(295,220)
Opening net funds	1,281,206	1,576,426
Closing net funds	<u>1,280,280</u>	<u>1,281,206</u>

**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

**1. ACCOUNTING POLICIES**

**1.1 Accounting conventions**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

**1.2 Basis of Consolidation**

The consolidated financial statements include the results of the parent company and its subsidiary undertakings made up to the end of the financial year. Inter-group transactions are excluded on consolidation and sales and profit figures relate to external transactions only. In accordance with the provisions of s230(3) of the Companies Act 1985 no separate profit and loss account has been prepared for the parent company.

**1.3 Turnover**

Turnover represents amounts receivable from ordinary activities stated net of VAT, trade discounts and other sales taxes. Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit & loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

**1.4 Tangible assets and depreciation**

Tangible assets are stated at cost less depreciation.

Depreciation is provided using the reducing balance method ( except where otherwise indicated) at the following rates:

Motor Vehicles	25%
Fixtures, Fittings and Office Equipment	15%
Leasehold Property Improvements - (Straight Line Method)	10%
Computer Equipment (Straight Line Method)	25%

The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying values may not be recoverable.

**1.5 Goodwill**

Goodwill represents the excess of cost at acquisition over the fair value of the separable assets of Heatservice (Maintenance) Ltd, a 100% subsidiary, which was acquired on 1st October 1984. The directors believe that the valuation of goodwill is still valid because it has since been transferred to BTU (Maintenance) Ltd, which continues to trade profitably. It is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

**1.6 Leased Assets**

Operating lease rentals are charged to the profit and loss account as incurred.

**1.7 Stocks**

Stock is valued at the lower of cost and net realisable value.

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contract less amounts received as progress payments on account.

**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

**1.8 Pensions**

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in an independently administered fund. The pension charge contributions payable by the group to the funds amounted to £1,853 (2007 - £3,225). All contributions due in the year were paid and charged to the profit and loss account as incurred.

**1.9 Deferred Taxation**

The accounting policy in respect of deferred tax is to reflect the requirements of FRS19. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accountancy purposes.

**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

<b>2. DISTRIBUTION AND ADMINISTRATIVE COSTS:</b>	<b><u>2008</u></b>	<b><u>2007</u></b>
	<b>£</b>	<b>£</b>
Distribution Costs	647,186	658,343
Administrative Costs	<u>3,007,532</u>	<u>2,738,252</u>
	<u><u>3,654,718</u></u>	<u><u>3,396,595</u></u>
<b>3. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION:</b>	<b><u>2008</u></b>	<b><u>2007</u></b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation is stated after charging:		
(Profit)/ Loss on Disposal of Fixed Assets	3,220	(1,500)
Depreciation	76,584	76,775
Auditor's Remuneration (Company 2008 £2,990; 2007 £1,800)	<u>36,500</u>	<u>34,000</u>
	<u><u>3,215,904</u></u>	<u><u>3,108,075</u></u>
<b>4. STAFF COSTS</b>	<b><u>2008</u></b>	<b><u>2007</u></b>
	<b>£</b>	<b>£</b>
<b>4.1 Staff Costs</b>		
Wages and salaries	3,219,443	3,173,694
Social security costs	355,712	341,283
Other pension costs	<u>1,873</u>	<u>3,225</u>
	<u><u>3,577,028</u></u>	<u><u>3,518,202</u></u>
The contribution to the pension fund comprises an annual payment of £1,853 (2007 £3,225).		
<b>4.2 Employees</b>		
The average monthly number of employees was:	No.	No.
Management	9	8
Production	50	49
Administration	<u>54</u>	<u>48</u>
	<u><u>113</u></u>	<u><u>105</u></u>
<b>4.3 Directors emoluments</b>		
Emoluments for qualifying services	<u>158,760</u>	<u>102,746</u>
Directors' emoluments amounting to £197,735 (2007: £126,918) have been paid by Weyside Management Services Limited and recharged throughout the group companies.		
The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to one (2007 - one).		
<b>5. INTEREST PAYABLE &amp; RECEIVABLE</b>	<b><u>2008</u></b>	<b><u>2007</u></b>
	<b>£</b>	<b>£</b>
Bank Interest receivable	<u>21,399</u>	<u>18,836</u>

**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

6 TAXATION	<u>2008</u>	<u>2007</u>
	£	£
6.1 Analysis of charge in period		
UK current year taxation		
UK Corporation Tax	152,918	181,464
Deferred tax charge current year	0	10,164
	<u>152,918</u>	<u>191,628</u>
<b>Factors affecting tax charge for the year</b>		
Profit on ordinary activities before taxation	513,229	628,260
Profit on ordinary activities before taxation multiplied by standard rate of UK Corporation Tax of 29% (30% - 2007)	148,836	184,006
Factors affecting tax charge :-		
Non-deductible expenses	24,379	14,178
Depreciation add back	22,210	23,032
Capital Allowances	(23,385)	(23,514)
Marginal Relief	(19,269)	(16,238)
Previous Year	(1,832)	0
Other tax adjustments	1,979	0
<b>CURRENT TAX CHARGE</b>	<u><u>152,918</u></u>	<u><u>181,464</u></u>



**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

**7. PROFIT ATTRIBUTABLE TO AFM HOLDINGS LIMITED**

In accordance with the exemption allowed by Section 230(3) of the Companies Act 1985 the company has not presented its own profit and loss account. A profit after tax of £36,775 (2007 £35,759) is attributable to AFM Holdings Limited.

**8 INTANGIBLE ASSETS : GROUP**

This represents goodwill arising on the consolidation of the 100% subsidiary, Heatservice (Maintenance) Ltd. This company was acquired on 1st October 1984

**9 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS:**

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Cost of Investments in Subsidiary Undertakings	290,310	290,310

The following companies are wholly owned subsidiary undertakings of AFM Holdings limited, all of which are incorporated in England and Wales:

	Principal Activities :-
BTU (Maintenance) Limited	The maintenance and repair of heating and ventilation equipment.
BTU (Heating) Limited	The installation of heating and ventilation equipment.
BTU (Poolservices) Limited	The maintenance and renovation of swimming pool installations.
CHS Limited	The sale of central heating equipment and spares.
Weyside Management Services Limited	The provision of accounting, management, transport and computer services to the AFM Group
Pool Advisory Services (Woking) Limited	Dormant
[100% owned by BTU (Poolservices) Limited]	
Heatservice (Maintenance) Limited	Dormant
Help (Household Emergency Services) Limited	Dormant

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

**10 TANGIBLE FIXED ASSETS : GROUP**

	<u>Leasehold Property Improv'ts</u>	<u>Vehicles</u>	<u>Plant, Fixtures &amp; Fittings</u>	<u>Computer / Phone</u>	<u>Total</u>
	£	£	£	£	£
<b>Cost:</b>					
At 1st October 2007	68,851	457,177	202,795	299,902	1,028,725
Additions	0	123,133	0	0	123,133
Disposals	0	(92,674)	(11,776)	0	(104,450)
<b>At 30th September 2008</b>	<b>68,851</b>	<b>487,636</b>	<b>191,019</b>	<b>299,902</b>	<b>1,047,408</b>
<b>Depreciation:</b>					
At 1st October 2007	41,306	216,783	175,243	274,790	708,122
Charge for year	6,884	59,279	2,921	7,500	76,584
Disposals	0	(55,678)	(11,776)	0	(67,454)
<b>At 30th September 2008</b>	<b>48,190</b>	<b>220,384</b>	<b>166,388</b>	<b>282,290</b>	<b>717,252</b>
<b>Net book value:</b>					
At 30th September 2008	20,661	267,252	24,631	17,612	330,156
At 30th September 2007	27,545	240,394	27,552	25,112	320,603

**11 TANGIBLE FIXED ASSETS : COMPANY**

	<u>Leasehold Property Improv'ts</u>	<u>Vehicles</u>	<u>Fixtures &amp; Fittings</u>	<u>Computer / Phone/ Equipment</u>	<u>Total</u>
	£	£	£	£	£
<b>Cost:</b>					
At 1st October 2007	68,851	457,177	87,045	285,262	898,335
Additions	0	123,133	0	0	123,133
Disposals	0	(92,674)	0	0	(92,674)
<b>At 30th September 2008</b>	<b>68,851</b>	<b>487,636</b>	<b>87,045</b>	<b>285,262</b>	<b>928,794</b>
<b>Depreciation:</b>					
At 1st October 2007	41,306	216,783	83,803	260,151	602,043
Charge for year	6,884	59,279	486	7,500	74,149
Disposals	0	(55,678)	0	0	(55,678)
<b>At 30th September 2008</b>	<b>48,190</b>	<b>220,384</b>	<b>84,289</b>	<b>267,651</b>	<b>620,514</b>
<b>Net book value:</b>					
At 30th September 2008	20,661	267,252	2,756	17,611	308,280
At 30th September 2007	27,545	240,394	3,242	25,111	296,292

**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

12 STOCKS	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	£	£	£	£
Work in progress	14,059	41,503	0	0
Finished goods	274,048	295,988	0	0
	<u>288,107</u>	<u>337,491</u>	<u>0</u>	<u>0</u>

13 DEBTORS : amounts falling within one year	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	£	£	£	£
Trade debtors	2,863,493	2,068,023	0	0
Amounts recoverable on contracts	1,053,140	548,665	0	0
Prepayments	264,245	404,560	51,832	54,630
Other debtors	296,988	266,396	265,158	245,289
Amounts owed by subsidiary undertakings	0	0	1,058,331	1,415,969
	<u>4,477,866</u>	<u>3,287,644</u>	<u>1,375,321</u>	<u>1,715,888</u>

14 CREDITORS - Amounts falling due within one year	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	£	£	£	£
Trade creditors	1,556,357	1,235,902	0	0
Amounts owed to subsidiary undertakings	0	0	2,083,209	2,234,223
Other taxes and social security costs	983,738	1,096,783	21,494	35,500
Accruals and deferred income	569,866	452,898	46,028	19,323
Other creditors	1,413,311	813,257	264,934	310,567
	<u>4,523,272</u>	<u>3,598,840</u>	<u>2,415,665</u>	<u>2,599,613</u>

15 PROVISION FOR LIABILITIES AND CHARGES GROUP and COMPANY	Deferred Tax Liability	
	<u>2008</u>	<u>2007</u>
	£	£
Balance as at 1st October 2007	43,926	33,762
Profit and Loss account	0	10,164
Balance as at 30th September 2008	<u>43,926</u>	<u>43,926</u>

**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

16 SHARE CAPITAL	<u>2008</u>	<u>2007</u>
	£	£
<b>Authorised:</b>		
50,000 £1 Ordinary shares	50,000	50,000
50,000 £1 'A' Ordinary shares	50,000	50,000
<b>Allotted, called up and fully paid</b>		
50,000 £1 Ordinary shares	50,000	50,000
25,000 £1 'A' Ordinary shares	25,000	25,000
	<u>75,000</u>	<u>75,000</u>

The ordinary 'A' shares rank pari passu with the ordinary shares in all respects save that the 'A' shares have no voting rights

**17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	£	£	£	£
Profit for the year	360,311	436,632	36,775	35,759
Dividends paid	(190,510)	(450,255)	(190,510)	(450,255)
Dividends received			0	395,000
Net (deduction) to shareholders funds	<u>169,801</u>	<u>(13,623)</u>	<u>(153,735)</u>	<u>(19,496)</u>
Opening shareholders funds	1,909,192	1,922,815	816,153	835,649
Closing shareholders funds	<u>2,078,993</u>	<u>1,909,192</u>	<u>662,418</u>	<u>816,153</u>

**18 GROUP CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

HSBC hold Performance Bonds to the value of £116,964 (2007 £116,964) at the balance sheet date.

**19 RELATED PARTY TRANSACTIONS**

During the year rent totalling £79,200 was paid to AFM (Holdings) Limited Pension Scheme. The relevant lease has 10 years to run (to August 11th. 2018) This rent was charged at arms length and at normal commercial rate. During the year AFM (Holdings) Limited Pension Scheme made a loan to the company amounting to £96,000. The term of the loan is three years maximum with an interest of 3% over the 'Clearing Bank Base Rate'. At the year end the company owed AFM (Holdings) Limited Pension Scheme a total of £264,934 in loans.

Both the Group and the company have taken advantage of the exemptions conferred by Financial Reporting Standard No.8 from the requirement to make disclosures concerning related parties. The related parties are disclosed in the individual companies.

Consultancy Fees totalling £42,240 (£73,920 for 2007) were paid by AFM (Holdings) Ltd to Mr A.F. Merritt during the year.

No amount is owed by A.F. Merritt at the year end.

At the year end, Paul Merritt, a director, owed the company £4,755.

**AFM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2008**

**20 CONTROL**

The ultimate controlling party was A F Merritt, a shareholder of AFM Holdings Limited holding 94% of the issued voting share capital of that company. Mr Merritt passed away on 27th April 2008 and his shares pass into Trust for the benefit of close family members in accordance with the Will and the Trust. The ultimate controlling party is now the trust for which the trustees are Paul Merritt and Graham Firth.

**21 CURRENT ASSET INVESTMENTS**

	<u>2008</u>	<u>2007</u>
	£	£
Other Investments	0	9,600

**22 FINANCIAL COMMITMENTS**

At 30 September 2008 the group had annual commitments under non-cancellable operating leases as follows:

	<u>2008</u>	<u>2007</u>
	£	£
Expiry Date:		
Between two and five years	41,900	39,409
In over five years	119,200	119,200