

A.C. BACON ENGINEERING LTD

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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A.C. BACON ENGINEERING LTD

COMPANY INFORMATION

DIRECTOR	D G Bacon
COMPANY SECRETARY	Mrs H M Bacon
REGISTERED NUMBER	00711612
REGISTERED OFFICE	3 Hardman Street Manchester Greater Manchester M3 3HF
INDEPENDENT AUDITORS	Larking Gowen Chartered Accountants & Statutory Auditors 1 Tavern Lane Dereham Norfolk NR19 1PX

A.C. BACON ENGINEERING LTD

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A.C. BACON ENGINEERING LTD

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The director presents his report and the financial statements for the year ended 31 December 2014.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is 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 company will continue in business.

The director is 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 enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of construction and steelwork engineering.

DIVIDENDS

The director does not recommend the payment of a dividend.

DIRECTOR

The director who served during the year was:

D G Bacon

FUTURE DEVELOPMENTS

The company is well placed to take advantage from the upturn in the economy and the results for 2014 reflect this.

A.C. BACON ENGINEERING LTD

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

DISCLOSURE OF INFORMATION TO AUDITORS

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he 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's auditors are aware of that information.

AUDITORS

The auditors, Larking Gowen, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



**D G Bacon
Director**

Date: 24-9-2015

A.C. BACON ENGINEERING LTD

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

BUSINESS REVIEW

The results for the year reflect the recent expansion of the company's manufacturing base and the earlier increase in staff numbers.

PRINCIPAL RISKS AND UNCERTAINTIES

In common with every other business, the company aims to minimise financial risk. The measures taken by the director to manage this risk includes the preparation of profit and cashflow budgets and regular monitoring of actual performance against these budgets. Contracts are closely monitored to keep the risk of bad debts to a minimum.

FINANCIAL KEY PERFORMANCE INDICATORS

The director uses three main performance indicators to monitor the financial performance of the company. They are gross profit, net profit and cashflow generation from operations. The director is pleased to report that, for all three, the company has achieved and continues to achieve satisfactory results.

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



**D G Bacon
Director**

Date: 24-9-2015

A.C. BACON ENGINEERING LTD

**INDEPENDENT AUDITORS' REPORT TO A.C. BACON ENGINEERING LTD
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages 5 to 20, together with the financial statements of A.C. Bacon Engineering Ltd for the year ended 31 December 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

The director is responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 5 to 20 have been properly prepared in accordance with the regulations made under that section.



Christopher Greeves FCA (Senior statutory auditor)
for and on behalf of
Larking Gowen
Chartered Accountants
Statutory Auditors
Dereham

28 September 2015

A.C. BACON ENGINEERING LTD

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	1	<u>16,829,152</u>	<u>12,582,341</u>
GROSS PROFIT		4,270,390	2,533,597
Administrative expenses		<u>(2,724,479)</u>	<u>(2,244,231)</u>
OPERATING PROFIT	2	1,545,911	289,366
Interest receivable and similar income		6,047	5,910
Interest payable and similar charges	3	<u>(16,645)</u>	<u>(17,843)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,535,313	277,433
Tax on profit on ordinary activities	4	<u>(310,566)</u>	<u>(63,082)</u>
PROFIT FOR THE FINANCIAL YEAR	16	<u><u>1,224,747</u></u>	<u><u>214,351</u></u>

All amounts relate to continuing operations.

The notes on pages 10 to 20 form part of these financial statements.

A.C. BACON ENGINEERING LTD

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
	£	£
PROFIT FOR THE FINANCIAL YEAR	1,224,747	214,351
Unrealised surplus on revaluation of investment properties	<u>47,591</u>	<u>50,194</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>1,272,338</u></u>	<u><u>264,545</u></u>

The notes on pages 10 to 20 form part of these financial statements.

A.C. BACON ENGINEERING LTD
REGISTERED NUMBER: 00711612

ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	5		3,245,030		3,307,161
Investment property	6		687,773		513,944
			<u>3,932,803</u>		<u>3,821,105</u>
CURRENT ASSETS					
Stocks	7	908,470		1,528,740	
Debtors	8	2,236,189		1,540,980	
Cash at bank and in hand		2,156,150		821,971	
		<u>5,300,809</u>		<u>3,891,691</u>	
CREDITORS: amounts falling due within one year	9	<u>(2,323,336)</u>		<u>(2,023,837)</u>	
NET CURRENT ASSETS			<u>2,977,473</u>		<u>1,867,854</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,910,276</u>		<u>5,688,959</u>
CREDITORS: amounts falling due after more than one year	10		(66,049)		(103,035)
PROVISIONS FOR LIABILITIES					
Deferred tax	11	(279,881)		(292,176)	
Other provisions	12	(37,732)		(39,472)	
			<u>(317,613)</u>		<u>(331,648)</u>
NET ASSETS			<u>6,526,614</u>		<u>5,254,276</u>
CAPITAL AND RESERVES					
Called up share capital	15		2,950		2,950
Capital redemption reserve	16		2,050		2,050
Investment property reserve	16		202,774		155,183
Profit and loss account	16		6,318,840		5,094,093
SHAREHOLDERS' FUNDS	17		<u>6,526,614</u>		<u>5,254,276</u>

A.C. BACON ENGINEERING LTD

**ABBREVIATED BALANCE SHEET (continued)
AS AT 31 DECEMBER 2014**

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by:



D G Bacon
Director

Date: 24-9-2015

The notes on pages 10 to 20 form part of these financial statements.

A.C. BACON ENGINEERING LTD

**ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	18	1,905,738	851,053
Returns on investments and servicing of finance	19	(10,598)	(11,933)
Taxation		(73,725)	(16,469)
Capital expenditure and financial investment	19	(414,585)	(123,271)
CASH INFLOW BEFORE FINANCING		1,406,830	699,380
Financing	19	(72,651)	(143,813)
INCREASE IN CASH IN THE YEAR		1,334,179	555,567

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

	2014 £	2013 £
Increase in cash in the year	1,334,179	555,567
Cash outflow from decrease in debt and lease financing	72,651	143,813
MOVEMENT IN NET DEBT IN THE YEAR	1,406,830	699,380
Net funds/(debt) at 1 January 2014	579,331	(120,049)
NET FUNDS AT 31 DECEMBER 2014	1,986,161	579,331

The notes on pages 10 to 20 form part of these financial statements.

A.C. BACON ENGINEERING LTD

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards.

1.2 Turnover

Turnover represents work done for outside customers at invoiced amounts less VAT. Where amounts are invoiced in advance of work being performed, an amount relating to future performance is deferred and is included in creditors as excess payments in advance.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line on buildings, land not depreciated
S/Term Leasehold Property	-	straight line over period of lease
Plant & machinery	-	8.5% straight line and 15% reducing balance
Motor vehicles	-	10%, 20% and 25% reducing balance

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

A.C. BACON ENGINEERING LTD

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)

1.4 Leasing and hire purchase

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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

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.

1.6 Stocks

Stock and work in progress are valued at the lower of cost and net realisable value.

Work in progress is stated at prime cost plus contracting overheads. No account is taken of profits until the contract is finally completed.

Progress payments received attributable to the value of contracts are deducted in presenting the value of work in progress in the financial statements.

1.7 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1.8 Pensions

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

A.C. BACON ENGINEERING LTD

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)

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.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	330,761	326,991
- held under finance leases and hire purchase	18,817	23,280
Auditors' remuneration	10,375	10,150
Operating lease rentals:		
- plant and machinery	353,829	329,468
- other operating leases	92,600	92,600
	<u>353,829</u>	<u>329,468</u>

3. INTEREST PAYABLE

	2014 £	2013 £
On bank loans and overdrafts	10,841	6,307
On finance leases and hire purchase contracts	5,804	11,536
	<u>16,645</u>	<u>17,843</u>

A.C. BACON ENGINEERING LTD

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

4. TAXATION

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	322,856	73,724
Deferred tax (see note 11)		
Origination and reversal of timing differences	(12,290)	(10,642)
Tax on profit on ordinary activities	310,566	63,082

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 21.49% (2013 - 23%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	1,535,313	277,433
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23%)	329,939	63,810
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	318	1,214
Capital allowances for year in excess of depreciation	(21,755)	9,191
Short term timing difference leading to an increase (decrease) in taxation	8,340	1,451
Other differences leading to an increase (decrease) in the tax charge	6,014	7,335
Marginal relief	-	(9,277)
Current tax charge for the year (see note above)	322,856	73,724

A.C. BACON ENGINEERING LTD

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

5. TANGIBLE FIXED ASSETS

	Freehold property £	S/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Total £
Cost					
At 1 January 2014	1,706,351	86,420	3,078,449	2,520,820	7,392,040
Additions	-	-	83,554	212,451	296,005
Disposals	-	-	(5,059)	(86,497)	(91,556)
At 31 December 2014	<u>1,706,351</u>	<u>86,420</u>	<u>3,156,944</u>	<u>2,646,774</u>	<u>7,596,489</u>
Depreciation					
At 1 January 2014	375,926	7,825	1,845,932	1,855,196	4,084,879
Charge for the year	26,424	1,716	145,470	175,968	349,578
On disposals	-	-	(3,031)	(79,967)	(82,998)
At 31 December 2014	<u>402,350</u>	<u>9,541</u>	<u>1,988,371</u>	<u>1,951,197</u>	<u>4,351,459</u>
Net book value					
At 31 December 2014	<u><u>1,304,001</u></u>	<u><u>76,879</u></u>	<u><u>1,168,573</u></u>	<u><u>695,577</u></u>	<u><u>3,245,030</u></u>
At 31 December 2013	<u><u>1,330,425</u></u>	<u><u>78,595</u></u>	<u><u>1,232,517</u></u>	<u><u>665,624</u></u>	<u><u>3,307,161</u></u>

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

	2014 £	2013 £
Plant and machinery	<u><u>25,084</u></u>	<u><u>92,017</u></u>

Included in land and buildings is freehold land at cost of £379,360 (2013 - £379,360), which is not depreciated.

6. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 January 2014	513,944
Additions at cost	126,238
Surplus/(deficit) on revaluation	47,591
At 31 December 2014	<u><u>687,773</u></u>

The 2014 valuations were made by the director, on an open market value for existing use basis.

A.C. BACON ENGINEERING LTD

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

6. INVESTMENT PROPERTY (continued)

Revaluation reserves

At 1 January 2014	155,183
Net surplus in investment properties	47,591
	<hr/>
At 31 December 2014	202,774
	<hr/> <hr/>

Should the investment properties be sold at their market value a tax liability of approximately £26,000 (2013 - £16,500) would arise. No provision for this contingent liability has been made as no agreement had been entered into at the balance sheet date to dispose of these properties.

7. STOCKS

	2014	2013
	£	£
Raw materials	159,842	178,144
Work in progress	1,341,940	2,343,629
Payments on account	(593,312)	(993,033)
	<hr/>	<hr/>
	908,470	1,528,740
	<hr/> <hr/>	<hr/> <hr/>

8. DEBTORS

	2014	2013
	£	£
Due after more than one year		
Trade debtors	237,314	159,134
Due within one year		
Trade debtors	1,685,902	1,250,210
Other debtors	29,887	13,556
Prepayments and accrued income	144,556	118,080
Amounts recoverable on long term contracts	138,530	-
	<hr/>	<hr/>
	2,236,189	1,540,980
	<hr/> <hr/>	<hr/> <hr/>

A.C. BACON ENGINEERING LTD

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

9. CREDITORS:

Amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	92,400	100,000
Payments received on account	175,727	83,933
Net obligations under finance leases and hire purchase contracts	11,540	39,605
Trade creditors	938,067	1,090,820
Corporation tax	322,856	73,724
Other taxation and social security	630,949	440,508
Other creditors	66,663	130,684
Accruals and deferred income	85,134	64,563
	<u>2,323,336</u>	<u>2,023,837</u>

Net obligations under finance leases and hire purchase contracts are secured by fixed charges on the assets concerned.

The bank loans are secured on specific assets.

10. CREDITORS:

Amounts falling due after more than one year

	2014 £	2013 £
Bank loans	55,987	75,000
Net obligations under finance leases and hire purchase contracts	10,062	28,035
	<u>66,049</u>	<u>103,035</u>

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

	2014 £	2013 £
Between one and five years	<u>10,062</u>	<u>28,035</u>

Net obligations under finance leases and hire purchase contracts are secured by fixed charges on the assets concerned.

The bank loans are secured on specific assets and are wholly repayable within 5 years by instalments, bearing interest between 2.65% and 3% above bank base rate.

A.C. BACON ENGINEERING LTD

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

11. DEFERRED TAXATION

	2014	2013
	£	£
At beginning of year	292,176	302,818
Released during year (P&L)	(12,295)	(10,642)
	<hr/>	<hr/>
At end of year	279,881	292,176
	<hr/> <hr/>	<hr/> <hr/>

The provision for deferred taxation is made up as follows:

	2014	2013
	£	£
Accelerated capital allowances	292,176	281,259
Other timing differences	(12,295)	10,917
	<hr/>	<hr/>
	279,881	292,176
	<hr/> <hr/>	<hr/> <hr/>

12. PROVISIONS

	Warranty Provision
	£
At 1 January 2014	39,472
Additions	(1,740)
	<hr/>
At 31 December 2014	37,732
	<hr/> <hr/>

Warranty Provision

A provision has been made for the estimated warranty repair costs.

13. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £66,463 (2013 - £55,353). At 31 December 2014 the amount payable was £14,972 (2013 - £3,871).

A.C. BACON ENGINEERING LTD

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

14. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other
	2014	2013	2014
	£	£	£
Expiry date:			
After more than 5 years	92,600	92,600	-

15. SHARE CAPITAL

	2014	2013
	£	£
Allotted, called up and fully paid		
2,950 Ordinary shares of £1 each	2,950	2,950

16. RESERVES

	Capital redempt'n reserve	Investment property revaluation reserve	Profit and loss account
	£	£	£
At 1 January 2014	2,050	155,183	5,094,093
Profit for the financial year			1,224,747
Movement on investment property		47,591	
At 31 December 2014	2,050	202,774	6,318,840

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Opening shareholders' funds	5,254,276	4,989,731
Profit for the financial year	1,224,747	214,351
Other recognised gains and losses during the year	47,591	50,194
Closing shareholders' funds	6,526,614	5,254,276

A.C. BACON ENGINEERING LTD

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	1,545,911	289,366
Depreciation of tangible fixed assets	349,578	350,271
Loss/(profit) on disposal of tangible fixed assets	900	(4,965)
Decrease/(increase) in stocks	620,270	(324,035)
(Increase)/decrease in debtors	(695,209)	44,418
Increase in creditors	86,028	488,906
(Decrease)/increase in provisions	(1,740)	7,092
Net cash inflow from operating activities	1,905,738	851,053

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	6,047	5,910
Interest paid	(10,841)	(6,307)
Hire purchase interest	(5,804)	(11,536)
Net cash outflow from returns on investments and servicing of finance	(10,598)	(11,933)

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(296,005)	(133,090)
Sale of tangible fixed assets	7,658	9,819
Purchase of investment properties	(126,238)	-
Net cash outflow from capital expenditure	(414,585)	(123,271)

	2014 £	2013 £
Financing		
Repayment of loans	(26,613)	(100,000)
Repayment of finance leases	(46,038)	(43,813)
Net cash outflow from financing	(72,651)	(143,813)

A.C. BACON ENGINEERING LTD

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

20. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	821,971	1,334,179	-	2,156,150
Debt:				
Finance leases	(67,640)	46,038	-	(21,602)
Debts due within one year	(100,000)	26,613	(19,013)	(92,400)
Debts falling due after more than one year	(75,000)	-	19,013	(55,987)
Net funds	<u>579,331</u>	<u>1,406,830</u>	<u>-</u>	<u>1,986,161</u>