

Company Registration No. 00784842 (England and Wales)

**AFM HOLDINGS LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 OCTOBER 2014**

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# AFM HOLDINGS LIMITED

## DIRECTOR AND ADVISERS

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<b>Director</b>	P. D. Merritt
<b>Secretary</b>	P.W. Bass
<b>Company number</b>	00784842
<b>Registered office</b>	38 Weyside Road Guildford Surrey GU1 1JB
<b>Registered auditors</b>	Ward Williams Belgrave House 39-43 Monument Hill Weybridge Surrey KT13 8RN
<b>Bankers</b>	Barclays Bank PLC 19 North Street Guildford Surrey GU1 4AG

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# AFM HOLDINGS LIMITED

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# AFM HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 OCTOBER 2014

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The director presents the strategic report and financial statements for the year ended 31 October 2014.

#### Review of the business

The Group's principal activities during the year remained the installation and maintenance of mechanical and electrical systems, both commercial and residential, to the Building Services industry, plus the provision of goods, services and maintenance for swimming pools including the building of pools from scratch.

In difficult market conditions the Group saw sales decrease by 3.6% in comparison with the previous year. This was due to a couple of factors, firstly an increasingly competitive market for installation works resulting in less work won, and secondly changes in procurement policies on Local Authority contracts. Operating profit decreased by 32.3% over the period, due partly to the reduced turnover and also due to increased costs and investment by the group via a subsidiary company in two new income streams, training and catering.

The balance sheet of the financial statements shows an increase of 15.1% in the net assets, due to the healthy results for the year. The available cash balance however decreased by 3.1% due to difficulties in closing out a number of final customer accounts, although it should be noted that the majority of these have now been collected since the year-end date.

#### Environmental and social responsibility

The group takes its environmental and social responsibilities very seriously, understanding the importance of the contribution the group makes.

#### Employees

The group aims to ensure its workforce are safe, healthy and fulfilled. To such end the group has in place comprehensive Health & Safety and training policies alongside regular employee appraisals and consultation. Details of the number of employees and related costs can be found in note 24 to the financial statements.

Key financial highlights are as follows:

	2014	2013
	£	£
Turnover	13,099,352	13,592,256
Profit before tax	1,032,079	1,513,775

Gross profit margin for the year ended 31 October 2014 was 35% (2013: 33%).

#### Financial Instruments and principal risks

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.

# AFM HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

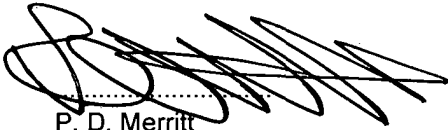
**FOR THE YEAR ENDED 31 OCTOBER 2014**

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### **Future developments**

The directors consider that 2015 will be no less challenging than recent years. In response the company will continue to invest in efforts to expand both its client base and its offering to market, especially in the area of environmentally sustainable solutions, such as renewable energy. The company are also looking to expand its offerings in the electrical part of the M&E market. In addition the company are entering into a number of apprenticeship and training schemes in partnership with Local Government and key clients.

On behalf of the board



P. D. Merritt

Director

26/03/15

# AFM HOLDINGS LIMITED

## DIRECTOR'S REPORT

**FOR THE YEAR ENDED 31 OCTOBER 2014**

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

### Results and dividends

The consolidated profit and loss account for the year is set out on page 6.

### Director

The following director has held office since 1 November 2013:

P. D. Merritt

### Auditors

The auditors, Ward Williams, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of director's responsibilities

The director is responsible for preparing the Strategic Report, 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

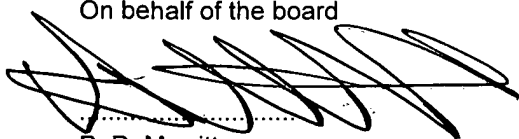
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



P. D. Merritt

Director

26/03/15

# **AFM HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF AFM HOLDINGS LIMITED**

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We have audited the group and parent company financial statements (the "financial statements") of AFM Holdings Limited for the year ended 31 October 2014 set out on pages 6 to 23. 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 director and auditors**

As explained more fully in the Director's Responsibilities Statement set out on pages 3, the director is 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. 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 parent company's affairs as at 31 October 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 Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# AFM HOLDINGS LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF AFM HOLDINGS LIMITED

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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.

*Ward Williams*

Richard Hayward (Senior Statutory Auditor)  
for and on behalf of Ward Williams

*26 March 2015*

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Chartered Accountants  
Statutory Auditor

Belgrave House  
39-43 Monument Hill  
Weybridge  
Surrey  
KT13 8RN



# AFM HOLDINGS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2014

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	Notes	2014 £	2013 £
Turnover	2	13,099,352	13,592,256
Cost of sales		(8,573,830)	(9,048,986)
<b>Gross profit</b>		<b>4,525,522</b>	<b>4,543,270</b>
Distribution costs		(252,462)	(248,138)
Administrative expenses		(3,261,061)	(2,801,224)
<b>Operating profit</b>	3	<b>1,011,999</b>	<b>1,493,908</b>
Investment income	4	23,163	23,963
Other interest receivable and similar income		4	94
Interest payable and similar charges	5	(3,087)	(4,190)
<b>Profit on ordinary activities before taxation</b>	3	<b>1,032,079</b>	<b>1,513,775</b>
Tax on profit on ordinary activities	6	(224,489)	(357,655)
<b>Profit on ordinary activities after taxation</b>		<b>807,590</b>	<b>1,156,120</b>

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The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

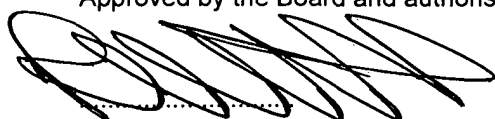
# AFM HOLDINGS LIMITED

## BALANCE SHEETS

AS AT 31 OCTOBER 2014

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
<b>Fixed assets</b>					
Intangible assets	9	33,000	66,000	33,000	66,000
Tangible assets	10	480,557	456,497	473,084	449,841
Investments	11	-	-	290,310	290,310
		<u>513,557</u>	<u>522,497</u>	<u>796,394</u>	<u>806,151</u>
<b>Current assets</b>					
Stocks	12	350,724	333,552	-	-
Debtors	13	3,648,528	2,711,232	382,924	388,950
Investments	14	883,293	859,854	883,293	859,854
Cash at bank and in hand		2,294,800	2,368,790	253,259	138,350
		<u>7,177,345</u>	<u>6,273,428</u>	<u>1,519,476</u>	<u>1,387,154</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(2,625,456)</u>	<u>(2,351,461)</u>	<u>(1,315,785)</u>	<u>(1,105,465)</u>
<b>Net current assets</b>		<u>4,551,889</u>	<u>3,921,967</u>	<u>203,691</u>	<u>281,689</u>
<b>Total assets less current liabilities</b>		<u>5,065,446</u>	<u>4,444,464</u>	<u>1,000,085</u>	<u>1,087,840</u>
<b>Creditors: amounts falling due after more than one year</b>	16	(13,500)	(44,833)	(13,500)	(44,833)
<b>Provisions for liabilities</b>	17	(63,000)	(67,000)	(63,000)	(67,000)
		<u>4,988,946</u>	<u>4,332,631</u>	<u>923,585</u>	<u>976,007</u>
<b>Capital and reserves</b>					
Called up share capital	19	75,000	75,000	75,000	75,000
Share premium account	20	993	993	993	993
Other reserves	20	14,242	14,242	-	-
Profit and loss account	20	4,898,711	4,242,396	847,592	900,014
<b>Shareholders' funds</b>	21	<u>4,988,946</u>	<u>4,332,631</u>	<u>923,585</u>	<u>976,007</u>

Approved by the Board and authorised for issue on 26/03/15.



P. D. Merritt  
Director

Company Registration No. 00784842

# AFM HOLDINGS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2014

		2014		2013
	£	£	£	£
<b>Net cash inflow from operating activities</b>		621,770		1,201,554
<b>Returns on investments and servicing of finance</b>				
Interest received	4		94	
Interest paid	(3,087)		(4,190)	
Dividends received	22,862		23,963	
<b>Net cash inflow for returns on investments and servicing of finance</b>		19,779		19,867
<b>Taxation</b>		(357,044)		(316,733)
<b>Capital expenditure and financial investment</b>				
Payments to acquire intangible assets	-		(66,000)	
Payments to acquire tangible assets	(148,914)		(144,913)	
Receipts from sales of tangible assets	12,499		10,526	
Receipts from sales of investments	301		-	
<b>Net cash outflow for capital expenditure</b>		(136,114)		(200,387)
<b>Equity dividends paid</b>		(151,275)		(151,275)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(2,884)		553,026
<b>Management of liquid resources</b>				
Current asset investments	(23,439)		(24,231)	
		(23,439)		(24,231)
<b>Financing</b>				
Other new long term loans	-		54,000	
Repayment of other long term loans	(47,667)		(72,167)	
<b>Net cash outflow from financing</b>		(47,667)		(18,167)
<b>(Decrease)/increase in cash in the year</b>		(73,990)		510,628

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2014

<b>1</b>	<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		<b>2014</b>	<b>2013</b>	
			£	£	
	Operating profit		1,011,999	1,493,908	
	Depreciation of tangible assets		107,538	85,619	
	Amortisation of intangible assets		33,000	-	
	Loss on disposal of tangible assets		4,817	793	
	(Increase)/decrease in stocks		(17,172)	29,401	
	Increase in debtors		(937,296)	(32,759)	
	Increase/(decrease) in creditors within one year		418,884	(375,408)	
	<b>Net cash inflow from operating activities</b>		<b>621,770</b>	<b>1,201,554</b>	
<b>2</b>	<b>Analysis of net funds</b>	<b>1 November 2013</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>31 October 2014</b>
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	2,368,790	(73,990)	-	2,294,800
	Liquid resources:				
	Current asset investments	859,854	23,439	-	883,293
	Debts falling due within one year	(47,667)	16,334	-	(31,333)
	Debts falling due after one year	(44,833)	31,333	-	(13,500)
		(92,500)	47,667	-	(44,833)
	Net funds	3,136,144	(2,884)	-	3,133,260
<b>3</b>	<b>Reconciliation of net cash flow to movement in net funds</b>		<b>2014</b>	<b>2013</b>	
			£	£	
	(Decrease)/increase in cash in the year		(73,990)	510,628	
	Cash outflow from increase in liquid resources		23,439	24,231	
	Cash outflow from decrease in debt		47,667	18,167	
	<b>Movement in net funds in the year</b>		<b>(2,884)</b>	<b>553,026</b>	
	Opening net funds		3,136,144	2,583,118	
	<b>Closing net funds</b>		<b>3,133,260</b>	<b>3,136,144</b>	

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 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. As permitted by section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements.

#### 1.4 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 the same proportion of total contract value which costs to date are to total expected costs for that contract.

#### 1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

#### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	20% straight line basis
Plant and machinery	10-25% straight line basis
Computer equipment	25% straight line basis
Fixtures, fittings & equipment	10-25% straight line basis
Motor vehicles	25% reducing balance basis

#### 1.7 Leasing

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

#### 1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.  
Current asset investments are stated at the lower of cost and net realisable value.

#### 1.9 Stock and work in progress

Work in progress 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

### 1 Accounting policies

(Continued)

#### 1.10 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. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating profit	2014 £	2013 £
	Operating profit is stated after charging:		
	Amortisation of intangible assets	33,000	-
	Depreciation of tangible assets	107,538	85,619
	Loss on disposal of tangible assets	4,817	793
	Loss on foreign exchange transactions	79	671
	Operating lease rentals	188,440	155,561
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £6,250; 2013: £6,250)	46,750	45,700
		<u>          </u>	<u>          </u>
4	Investment income	2014 £	2013 £
	Income from fixed asset investments	23,163	23,963
		<u>          </u>	<u>          </u>

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

5	Interest payable	2014 £	2013 £
	On overdue tax	773	1,314
	Other interest	2,314	2,876
		<u>3,087</u>	<u>4,190</u>
		<u><u>3,087</u></u>	<u><u>4,190</u></u>
6	Taxation	2014 £	2013 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	228,489	338,839
	<b>Total current tax</b>	<u>228,489</u>	<u>338,839</u>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(4,000)	18,816
		<u>224,489</u>	<u>357,655</u>
		<u><u>224,489</u></u>	<u><u>357,655</u></u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	1,032,079	1,513,775
		<u>1,032,079</u>	<u>1,513,775</u>
		<u><u>1,032,079</u></u>	<u><u>1,513,775</u></u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.65% (2013 - 22.97%)	223,445	347,714
		<u>223,445</u>	<u>347,714</u>
		<u><u>223,445</u></u>	<u><u>347,714</u></u>
	Effects of:		
	Non deductible expenses	25,869	24,222
	Depreciation add back	23,278	19,663
	Capital allowances	(39,089)	(47,257)
	Dividends and distributions received	(5,014)	(5,503)
		<u>5,044</u>	<u>(8,875)</u>
		<u><u>5,044</u></u>	<u><u>(8,875)</u></u>
	<b>Current tax charge for the year</b>	<u>228,489</u>	<u>338,839</u>
		<u><u>228,489</u></u>	<u><u>338,839</u></u>

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2014

#### 7 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2014 £	2013 £
Holding company's profit for the financial year	98,853	163,891

#### 8 Dividends

	2014 £	2013 £
Ordinary final paid	151,275	151,275

An interim dividend of £48,408 was paid for the year ending 31 October 2015 on 27 January 2015.

#### 9 Intangible fixed assets

##### Group

	Goodwill £
<b>Cost</b>	
At 1 November 2013 & at 31 October 2014	66,000
<b>Amortisation</b>	
At 1 November 2013	-
Charge for the year	33,000
At 31 October 2014	33,000
<b>Net book value</b>	
At 31 October 2014	33,000
At 31 October 2013	66,000



# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

### 9 Intangible fixed assets

(Continued)

#### Company

	Goodwill £
<b>Cost</b>	
At 1 November 2013 & at 31 October 2014	66,000
<b>Amortisation</b>	
At 1 November 2013	-
Charge for the year	33,000
At 31 October 2014	33,000
<b>Net book value</b>	
At 31 October 2014	33,000
At 31 October 2013	66,000

The above goodwill relates to the purchase of a restaurant business on 29 October 2013.

### 10 Tangible fixed assets

#### Group

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 November 2013	-	205,126	93,158	463,016	761,300
Additions	37,055	3,400	17,969	90,490	148,914
Disposals	-	-	-	(85,128)	(85,128)
At 31 October 2014	37,055	208,526	111,127	468,378	825,086
<b>Depreciation</b>					
At 1 November 2013	-	29,922	33,543	241,338	304,803
On disposals	-	-	-	(67,812)	(67,812)
Charge for the year	1,853	28,121	16,960	60,604	107,538
At 31 October 2014	1,853	58,043	50,503	234,130	344,529
<b>Net book value</b>					
At 31 October 2014	35,202	150,483	60,624	234,248	480,557
At 31 October 2013	-	175,204	59,615	221,678	456,497

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

(Continued)

### Tangible fixed assets

#### Company

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 November 2013	-	197,909	91,810	463,016	752,735
Additions	37,055	-	17,969	90,490	145,514
Disposals	-	-	-	(85,128)	(85,128)
At 31 October 2014	37,055	197,909	109,779	468,378	813,121
<b>Depreciation</b>					
At 1 November 2013	-	29,242	32,314	241,338	302,894
On disposals	-	-	-	(67,812)	(67,812)
Charge for the year	1,853	25,538	16,960	60,604	104,955
At 31 October 2014	1,853	54,780	49,274	234,130	340,037
<b>Net book value</b>					
At 31 October 2014	35,202	143,129	60,505	234,248	473,084
At 31 October 2013	-	168,667	59,496	221,678	449,841

### 11 Fixed asset investments

#### Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 November 2013 & at 31 October 2014	290,310
<b>Net book value</b>	
At 31 October 2014	290,310
At 31 October 2013	290,310

In the opinion of the director, 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

### 11 Fixed asset investments

(Continued)

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
BTU (Installation and Maintenance) Limited	UK	ordinary	100.00
BTU (Heating) Limited	UK	ordinary	100.00
B.T.U. (Poolservices) Limited	UK	ordinary	100.00
C.H.S. Limited	UK	ordinary	100.00
Weyside Management Services Limited	UK	ordinary	100.00
Pool Advisory Services (Woking) Limited	UK	ordinary	100.00
BTU (Maintenance) Limited	UK	ordinary	100.00
Help (Household Emergency Services) Limited	UK	ordinary	100.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
BTU (Installation and Maintenance) Limited	Installation and maintenance of electrical and mechanical services
BTU (Heating) Limited	Dormant
B.T.U. (Poolservices) Limited	The maintenance and renovation of swimming pool installations
C.H.S. 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
BTU (Maintenance) Limited	Dormant
Help (Household Emergency Services) Limited	Dormant

### 12 Stocks and work in progress

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Work in progress	17,991	9,264	-	-
Finished goods and goods for resale	332,733	324,288	-	-
	<u>350,724</u>	<u>333,552</u>	<u>-</u>	<u>-</u>

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

### 13 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	1,715,527	926,742	-	36,028
Amounts owed by group undertakings	-	-	302,046	231,572
Other debtors	388,890	440,382	50,802	57,711
Prepayments and accrued income	1,544,111	1,344,108	30,076	63,639
	<u>3,648,528</u>	<u>2,711,232</u>	<u>382,924</u>	<u>388,950</u>

### 14 Current asset investments

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Listed investments	<u>883,293</u>	<u>859,854</u>	<u>883,293</u>	<u>859,854</u>
Market valuation of listed investments	<u>919,318</u>	<u>899,340</u>	<u>919,318</u>	<u>899,340</u>

### 15 Creditors : amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	1,174,057	1,043,284	-	14,027
Amounts owed to group undertakings	-	-	1,239,934	961,104
Corporation tax	157,584	286,139	32,575	42,738
Taxes and social security costs	444,966	230,912	-	101
Other creditors	59,582	73,201	31,333	47,667
Accruals and deferred income	789,267	717,925	11,943	39,828
	<u>2,625,456</u>	<u>2,351,461</u>	<u>1,315,785</u>	<u>1,105,465</u>

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

### 16 Creditors : amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Other loans	13,500	44,833	13,500	44,833
<b>Analysis of loans</b>				
Wholly repayable within five years	44,833	92,500	44,833	92,500
Included in current liabilities	(31,333)	(47,667)	(31,333)	(47,667)
	13,500	44,833	13,500	44,833
<b>Loan maturity analysis</b>				
In more than one year but not more than two years	13,500	31,333	13,500	31,333
In more than two years but not more than five years	-	13,500	-	13,500

### 17 Provisions for liabilities

	Deferred taxation
	£
<b>Group</b>	
Balance at 1 November 2013	67,000
Profit and loss account	(4,000)
Balance at 31 October 2014	63,000
<b>Company</b>	
Balance at 1 November 2013	67,000
Profit and loss account	(4,000)
Balance at 31 October 2014	63,000

The deferred tax liability is made up as follows:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Accelerated capital allowances	63,000	67,000	63,000	67,000

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2014

#### 18 Pension and other post-retirement benefit commitments

##### Defined contribution

	2014 £	2013 £
Contributions payable by the group for the year	71,395	60,780

#### 19 Share capital

	2014 £	2013 £
<b>Allotted, called up and fully paid</b> 75,000 Ordinary Shares of £1 each	75,000	75,000

#### 20 Statement of movements on reserves

##### Group

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 November 2013	993	14,242	4,242,396
Profit for the year	-	-	807,590
Dividends paid	-	-	(151,275)
Balance at 31 October 2014	993	14,242	4,898,711

##### Other reserves

##### Capital redemption reserve

Balance at 1 November 2013 & at 31 October 2014	14,242
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##### Company

	Share premium account £	Other reserves £	Profit and loss account £
Balance at 1 November 2013	993	-	900,014
Profit for the year	-	-	98,853
Dividends paid	-	-	(151,275)
Balance at 31 October 2014	993	-	847,592

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2014

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21 Reconciliation of movements in shareholders' funds	2014	2013
Group	£	£
Profit for the financial year	807,590	1,156,120
Dividends	(151,275)	(151,275)
	<hr/>	<hr/>
Net addition to shareholders' funds	656,315	1,004,845
Opening shareholders' funds	4,332,631	3,327,786
	<hr/>	<hr/>
Closing shareholders' funds	4,988,946	4,332,631
	<hr/> <hr/>	<hr/> <hr/>
Company	2014	2013
	£	£
Profit for the financial year	98,853	163,891
Dividends	(151,275)	(151,275)
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	(52,422)	12,616
Opening shareholders' funds	976,007	963,391
	<hr/>	<hr/>
Closing shareholders' funds	923,585	976,007
	<hr/> <hr/>	<hr/> <hr/>

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# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2014

#### 22 Financial commitments

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

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Within one year	92,700	-
Between two and five years	42,000	134,700
In over five years	36,000	36,000
	<u>170,700</u>	<u>170,700</u>

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

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Within one year	79,200	-
Between two and five years	-	79,200
In over five years	36,000	36,000
	<u>115,200</u>	<u>115,200</u>

#### 23 Director's remuneration

	2014	2013
	£	£
Company pension contributions to defined contribution schemes	<u>60,000</u>	<u>60,000</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2013 - 1).



# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2014

#### 24 Employees

##### Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Management	7	7
Production	61	49
Administration	53	46
	<u>121</u>	<u>102</u>

##### Employment costs

	2014 £	2013 £
Wages and salaries	3,559,278	3,278,314
Social security costs	368,795	355,041
Other pension costs	71,395	60,780
	<u>3,999,468</u>	<u>3,694,135</u>

#### 25 Control

The ultimate controlling party is the AFM Business Trust, a shareholder of AFM Holdings Limited holding 94% of the issued voting share capital of that company. The trustees are Paul Merritt and Whitefoord Pension & Trustee Services Ltd.

#### 26 Related party relationships and transactions

##### Dividends to Directors

The following directors were paid dividends during the year as outlined in the table below:

	2014 £	2013 £
P. D. Merritt	151,275	151,275
	<u>151,275</u>	<u>151,275</u>

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

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### 26 Related party relationships and transactions

(Continued)

#### Other transactions

During the period rent totalling £79,200 (2013: £79,200) was paid to AFM Limited Pension Fund Trust. The relevant lease has just under 1 year to run (to 11 August 2015). This rent was charged at arms length and at normal commercial rate.

At the period end the company owed AFM (Holdings) Limited Pension scheme a total of £44,833 (2013: £92,500) in loans. The term of the loan is three years maximum with an interest of 3% over the 'Clearing Bank Base Rate'

During the year rent totalling £42,000 (2013: £42,000) was paid to AFM Pension Trust Fund, of which the trustees are Paul Merritt and Alan MacDonald. The relevant lease has just over 3 and half years to run. This rent was charged at arms length and at normal commercial rate.

#### Group

The group has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking.