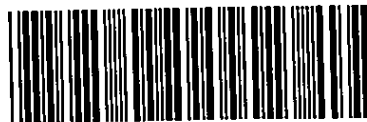


Company Registration No 00784842 (England and Wales)

AFM HOLDINGS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 OCTOBER 2013

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AFM HOLDINGS LIMITED

DIRECTOR AND ADVISERS

Director	P D Merritt
Secretary	P W Bass
Company number	00784842
Registered office	38 Weyside Road Guildford Surrey GU1 1JB
Registered auditors	Ward Williams Belgrave House 39-43 Monument Hill Weybridge Surrey KT13 8RN
Bankers	HSBC Bank PLC 168 High Street Guildford Surrey GU1 3YU

AFM HOLDINGS LIMITED

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AFM HOLDINGS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 OCTOBER 2013

The director presents his report and financial statements for the year ended 31 October 2013

Principal activities and 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

Despite difficult market conditions the Group were able to increase sales by 7.1% in comparison with the previous year as we were able to increase our client base. Operating profit increased by 47% over the period, due mostly to increased efficiencies cutting costs both on site and in the Group overhead.

The balance sheet of the financial statements shows an increase of 30.2% in the net assets, due to the excellent results for the year. The available cash balance increased by 27.5% as focus remained on collecting monies due promptly to minimise any risk of bad debts in this difficult climate.

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 25 to the financial statements.

Key financial highlights are as follows

	2013	2012
	£	£
Turnover	13,592,256	12,695,595
Profit before tax	1,513,775	1,059,608

Gross profit margin for the year ended 31 October 2013 was 33% (2012 32%)

Results and dividends

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

Future developments

The Director considers that 2014 will be no less challenging than recent years. In response the group 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 Group are also looking to expand its offerings in the electrical part of the M&E market. In addition the Group are entering into a number of apprenticeship and training schemes in partnership with Local Government and key clients.

Director

The following director has held office since 1 November 2012

P. D. Merritt

AFM HOLDINGS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

	2013 £	2012 £
During the year the group made the following payments		
Charitable donations	2,676	7,973

£2,676 was given during the year in donations ranging from £50 to £1,000 in support of either local charities or fundraising activities by employees covering a range of charitable purposes such as Cancer Research UK to Worshipful Company of Pavors

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.

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 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.

AFM HOLDINGS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

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

27 March 2014

AFM HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AFM HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of AFM Holdings Limited for the year ended 31 October 2013 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 1 - 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 2013 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

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



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

27 March 2014

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 2013

	Notes	2013 £	2012 £
Turnover	2	13,592,256	12,695,595
Cost of sales		(9,124,225)	(8,662,358)
Gross profit		4,468,031	4,033,237
Distribution costs		(248,138)	(280,799)
Administrative expenses		(2,725,985)	(2,736,545)
Other operating income		-	(6)
Operating profit	3	1,493,908	1,015,887
Investment income	4	23,963	29,252
Other interest receivable and similar income		94	51
Amounts written on/(off) investments	5	-	17,781
Interest payable and similar charges	6	(4,190)	(3,363)
Profit on ordinary activities before taxation		1,513,775	1,059,608
Tax on profit on ordinary activities	7	(357,655)	(276,213)
Profit on ordinary activities after taxation		1,156,120	783,395

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 2013

	Notes	Group 2013 £	2012 £	Company 2013 £	2012 £
Fixed assets					
Intangible assets	10	66,000	-	66,000	-
Tangible assets	11	456,497	408,522	449,841	408,403
Investments	12	-	-	290,310	290,310
		<u>522,497</u>	<u>408,522</u>	<u>806,151</u>	<u>698,713</u>
Current assets					
Stocks	13	333,552	362,953	-	-
Debtors	14	2,711,232	2,678,473	388,950	235,633
Investments	15	859,854	835,623	859,854	835,623
Cash at bank and in hand		2,368,790	1,858,162	138,350	172,452
		<u>6,273,428</u>	<u>5,735,211</u>	<u>1,387,154</u>	<u>1,243,708</u>
Creditors amounts falling due within one year	16	<u>(2,351,461)</u>	<u>(2,724,763)</u>	<u>(1,105,465)</u>	<u>(887,846)</u>
Net current assets		<u>3,921,967</u>	<u>3,010,448</u>	<u>281,689</u>	<u>355,862</u>
Total assets less current liabilities		<u>4,444,464</u>	<u>3,418,970</u>	<u>1,087,840</u>	<u>1,054,575</u>
Creditors amounts falling due after more than one year	17	<u>(44,833)</u>	<u>(43,000)</u>	<u>(44,833)</u>	<u>(43,000)</u>
Provisions for liabilities	18	<u>(67,000)</u>	<u>(48,184)</u>	<u>(67,000)</u>	<u>(48,184)</u>
		<u>4,332,631</u>	<u>3,327,786</u>	<u>976,007</u>	<u>963,391</u>
Capital and reserves					
Called up share capital	20	75,000	75,000	75,000	75,000
Share premium account	21	993	993	993	993
Other reserves	21	14,242	14,242	-	-
Profit and loss account	21	4,242,396	3,237,551	900,014	887,398
Shareholders' funds	22	<u>4,332,631</u>	<u>3,327,786</u>	<u>976,007</u>	<u>963,391</u>

Approved by the Board and authorised for issue on

27 March 2014


P. D. Merritt
Director

Company Registration No 00784842

AFM HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2013

	2013	2012
	£	£
Net cash inflow from operating activities	1,201,554	1,164,018
Returns on investments and servicing of finance		
Interest received	94	51
Interest paid	(4,190)	(3,353)
Dividends received	23,963	23,584
	<u>19,867</u>	<u>20,282</u>
Net cash inflow for returns on investments and servicing of finance	19,867	20,282
Taxation	(316,733)	(189,917)
Capital expenditure and financial investment		
Payments to acquire intangible assets	(66,000)	-
Payments to acquire tangible assets	(144,913)	(275,283)
Receipts from sales of tangible assets	10,526	19,758
	<u>(200,387)</u>	<u>(255,525)</u>
Net cash outflow for capital expenditure	(200,387)	(255,525)
Equity dividends paid	(151,275)	(148,250)
	<u>553,026</u>	<u>590,608</u>
Net cash inflow before management of liquid resources and financing	553,026	590,608
Management of liquid resources		
Current asset investments	(24,231)	(29,252)
	<u>(24,231)</u>	<u>(29,252)</u>
Financing		
Other new long term loans	54,000	40,000
Repayment of other long term loans	(72,167)	(54,333)
	<u>(18,167)</u>	<u>(14,333)</u>
Net cash outflow from financing	(18,167)	(14,333)
Increase in cash in the year	<u>510,628</u>	<u>547,023</u>

AFM HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2013

1	Reconciliation of operating profit to net cash inflow from operating activities		2013	2012	
			£	£	
	Operating profit		1,493,908	1,015,887	
	Depreciation of tangible assets		85,619	60,908	
	Loss on disposal of tangible assets		793	15,587	
	Profit on sale of current asset investments		-	5,668	
	Decrease in stocks		29,401	43,852	
	Increase in debtors		(32,759)	(5,980)	
	(Decrease)/Increase in creditors within one year		(375,408)	28,096	
	Net cash inflow from operating activities		1,201,554	1,164,018	
2	Analysis of net funds	1 November 2012	Cash flow	Other non-cash changes	31 October 2013
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,858,162	510,628	-	2,368,790
	Liquid resources				
	Current asset investments	835,623	24,231	-	859,854
	Debts falling due within one year	(67,667)	20,000	-	(47,667)
	Debts falling due after one year	(43,000)	(1,833)	-	(44,833)
		(110,667)	18,167	-	(92,500)
	Net funds	2,583,118	553,026	-	3,136,144
3	Reconciliation of net cash flow to movement in net funds		2013	2012	
			£	£	
	Increase in cash in the year		510,628	547,023	
	Cash outflow from increase in liquid resources		24,231	29,252	
	Cash outflow from decrease in debt		18,167	14,333	
	Change in net debt resulting from cash flows		553,026	590,608	
	Amounts written off short-term investments		-	17,781	
	Movement in net funds in the year		553,026	608,389	
	Opening net funds		2,583,118	1,974,729	
	Closing net funds		3,136,144	2,583,118	

AFM HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2013

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. There is no amortisation charge for the year ended 31 October 2013 due to the goodwill being purchased close to the balance sheet date.

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	10% straight line basis
Plant and machinery	10-25% straight line basis
Computer equipment	25% straight line basis
Fixtures, fittings & equipment	20% 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.

AFM HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

1 Accounting policies (Continued)

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

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	2013	2012
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	85,619	60,908
	Loss on disposal of tangible assets	793	15,587
	Loss on foreign exchange transactions	671	6
	Operating lease rentals	155,561	160,696
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £6,250, 2012 £6,000) and after crediting	45,700	45,700
	Profit on foreign exchange transactions	-	(582)
		<u> </u>	<u> </u>
4	Investment income	2013	2012
		£	£
	Income from fixed asset investments	23,963	29,252
		<u> </u>	<u> </u>

AFM HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

5	Amounts written off/(on) investments	2013	2012
		£	£
	Amounts written off current asset investments	-	(17,781)
		<u> </u>	<u> </u>
6	Interest payable	2013	2012
		£	£
	On bank loans and overdrafts	-	30
	On overdue tax	1,314	-
	Other interest	2,876	3,333
		<u> </u>	<u> </u>
		4,190	3,363
		<u> </u>	<u> </u>
7	Taxation	2013	2012
		£	£
	Domestic current year tax		
	U K corporation tax	338,839	264,033
		<u> </u>	<u> </u>
	Total current tax	338,839	264,033
	Deferred tax		
	Deferred tax charge/credit current year	18,816	12,180
		<u> </u>	<u> </u>
		357,655	276,213
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,513,775	1,059,608
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 22.97% (2012 - 24%)	347,714	254,306
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	24,222	30,651
	Depreciation add back	19,663	14,720
	Capital allowances	(47,257)	(25,025)
	Tax losses utilised	-	32,655
	Dividends and distributions received	(5,503)	(5,660)
	Other tax adjustments	-	(37,614)
		<u> </u>	<u> </u>
		(8,875)	9,727
		<u> </u>	<u> </u>
	Current tax charge for the year	338,839	264,033
		<u> </u>	<u> </u>

AFM HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

8 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:

	2013 £	2012 £
Holding company's profit for the financial year	163,891	592,321

9 Dividends

	2013 £	2012 £
Ordinary final paid	151,275	148,250

An interim dividend of £42,357 was paid for the year ending 31 October 2014 on 30 January 2014.

10 Intangible fixed assets Group

	Goodwill £
Cost	
At 1 November 2012	-
Additions	66,000
At 31 October 2013	66,000
Net book value	
At 31 October 2013	66,000
At 31 October 2012	-

AFM HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

10 Intangible fixed assets

(Continued)

Company

	Goodwill £
Cost	
At 1 November 2012	-
Additions	66,000
At 31 October 2013	<u>66,000</u>
Net book value	
At 31 October 2013	<u>66,000</u>
At 31 October 2012	<u>-</u>

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

11 Tangible fixed assets

Group

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 November 2012	68,851	493,350	88,393	436,640	1,087,234
Additions	-	9,987	50,000	84,926	144,913
Disposals	(68,851)	(298,211)	(45,235)	(58,550)	(470,847)
At 31 October 2013	<u>-</u>	<u>205,126</u>	<u>93,158</u>	<u>463,016</u>	<u>761,300</u>
Depreciation					
At 1 November 2012	68,851	289,887	88,274	231,700	678,712
Transfer between classifications	-	12,086	(12,086)	-	-
On disposals	(68,851)	(298,211)	(45,235)	(47,231)	(459,528)
Charge for the year	-	26,160	2,590	56,869	85,619
At 31 October 2013	<u>-</u>	<u>29,922</u>	<u>33,543</u>	<u>241,338</u>	<u>304,803</u>
Net book value					
At 31 October 2013	<u>-</u>	<u>175,204</u>	<u>59,615</u>	<u>221,678</u>	<u>456,497</u>
At 31 October 2012	<u>-</u>	<u>203,463</u>	<u>119</u>	<u>204,940</u>	<u>408,522</u>

AFM HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

(Continued)

Tangible fixed assets

Company

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 2012	68,851	493,350	87,045	436,640	1,085,886
Additions	-	2,770	50,000	84,926	137,696
Disposals	(68,851)	(298,211)	(45,235)	(58,550)	(470,847)
At 31 October 2013	-	197,909	91,810	463,016	752,735
Depreciation					
At 1 November 2012	68,851	289,887	87,045	231,700	677,483
Transfer between classifications	-	12,086	(12,086)	-	-
On disposals	(68,851)	(298,211)	(45,235)	(47,231)	(459,528)
Charge for the year	-	25,480	2,590	56,869	84,939
At 31 October 2013	-	29,242	32,314	241,338	302,894
Net book value					
At 31 October 2013	-	168,667	59,496	221,678	449,841
At 31 October 2012	-	203,463	-	204,940	408,403

12 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 November 2012 & at 31 October 2013	290,310
Net book value	
At 31 October 2013	290,310
At 31 October 2012	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 2013

12 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	%
Subsidiary undertakings			
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

13 Stocks and work in progress

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Work in progress	9,264	13,297	-	-
Finished goods and goods for resale	324,288	349,656	-	-
	<u>333,552</u>	<u>362,953</u>	<u>-</u>	<u>-</u>

AFM HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

14 Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	926,742	1,474,681	36,028	61,104
Amounts owed by group undertakings	-	-	231,572	114,372
Other debtors	440,382	288,211	57,711	6,846
Prepayments and accrued income	1,344,108	915,581	63,639	53,311
	<u>2,711,232</u>	<u>2,678,473</u>	<u>388,950</u>	<u>235,633</u>

15 Current asset investments

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Listed investments	<u>859,854</u>	<u>835,623</u>	<u>859,854</u>	<u>835,623</u>
Market valuation of listed investments	<u>899,340</u>	<u>845,048</u>	<u>899,340</u>	<u>845,048</u>

16 Creditors : amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	1,043,284	1,291,252	14,027	18,314
Amounts owed to group undertakings	-	-	961,104	705,672
Corporation tax	286,139	264,033	42,738	55,057
Taxes and social security costs	230,912	453,078	101	801
Other creditors	73,201	114,940	47,667	67,667
Accruals and deferred income	717,925	601,460	39,828	40,335
	<u>2,351,461</u>	<u>2,724,763</u>	<u>1,105,465</u>	<u>887,846</u>

AFM HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

17 Creditors : amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Other loans	44,833	43,000	44,833	43,000
Analysis of loans				
Wholly repayable within five years	92,500	110,667	92,500	110,667
Included in current liabilities	(47,667)	(67,667)	(47,667)	(67,667)
	44,833	43,000	44,833	43,000
Loan maturity analysis				
In more than one year but not more than two years	31,333	43,000	31,333	43,000
In more than two years but not more than five years	13,500	-	13,500	-

18 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 November 2012	48,184
Profit and loss account	18,816
Balance at 31 October 2013	67,000

Company

Balance at 1 November 2012	48,184
Profit and loss account	18,816
Balance at 31 October 2013	67,000

The deferred tax liability is made up as follows:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Accelerated capital allowances	67,000	48,184	67,000	48,184

AFM HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

19 Pension and other post-retirement benefit commitments

Defined contribution

	2013 £	2012 £
Contributions payable by the group for the year	60,780	60,780

20 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
75,000 Ordinary Shares of £1 each	75,000	75,000

21 Statement of movements on reserves Group

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 November 2012	993	14,242	3,237,551
Profit for the year	-	-	1,156,120
Dividends paid	-	-	(151,275)
Balance at 31 October 2013	993	14,242	4,242,396

Other reserves

Capital redemption reserve

Balance at 1 November 2012 & at 31 October 2013	14,242
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Company

	Share premium account £	Other reserves £	Profit and loss account £
Balance at 1 November 2012	993	-	887,398
Profit for the year	-	-	163,891
Dividends paid	-	-	(151,275)
Balance at 31 October 2013	993	-	900,014

AFM HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

22 Reconciliation of movements in shareholders' funds	2013	2012
Group	£	£
Profit for the financial year	1,156,120	783,395
Dividends	(151,275)	(148,250)
	<hr/>	<hr/>
Goodwill written-off	1,004,845	635,145
	-	(4,848)
	<hr/>	<hr/>
Net addition to shareholders' funds	1,004,845	630,297
Opening shareholders' funds	3,327,786	2,697,489
	<hr/>	<hr/>
Closing shareholders' funds	4,332,631	3,327,786
	<hr/> <hr/>	<hr/> <hr/>
	2013	2012
Company	£	£
Profit for the financial year	163,891	592,321
Dividends	(151,275)	(148,250)
	<hr/>	<hr/>
Net addition to shareholders' funds	12,616	444,071
Opening shareholders' funds	963,391	519,320
	<hr/>	<hr/>
Closing shareholders' funds	976,007	963,391
	<hr/> <hr/>	<hr/> <hr/>

AFM HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

23 Financial commitments

At 31 October 2013 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2013	2012
	£	£
Expiry date		
Within one year	-	32,983
Between two and five years	134,700	13,500
In over five years	36,000	121,200
	<u>170,700</u>	<u>167,683</u>

At 31 October 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2013	2012
	£	£
Expiry date		
Between two and five years	79,200	-
In over five years	36,000	79,200
	<u>115,200</u>	<u>79,200</u>

24 Director's remuneration

	2013	2012
	£	£
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 (2012 - 1)

AFM HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

25 Employees

Number of employees

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

	2013 Number	2012 Number
Management	7	8
Production	49	52
Administration	46	45
	<u>102</u>	<u>105</u>

Employment costs

	2013 £	2012 £
Wages and salaries	3,278,314	3,476,260
Social security costs	355,041	370,621
Other pension costs	60,780	60,780
	<u>3,694,135</u>	<u>3,907,661</u>

26 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.

27 Related party relationships and transactions

Dividends to Directors

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

	2013 £	2012 £
P D Merritt	151,275	148,250
	<u>151,275</u>	<u>148,250</u>

AFM HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

27 Related party relationships and transactions

(Continued)

Other transactions

During the period rent totalling £79,200 (2012 £79,200) was paid to AFM Limited Pension Fund Trust. The relevant lease has just under 2 years 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 £92,500 (2012 £110,667) 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 (2012 £42,000) was paid to AFM Business Trust, of which Paul Merritt and Alan MacDonald are trustees. The relevant lease has just over 4 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.