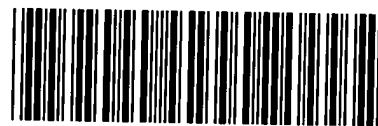


Company Registration No. 00784842 (England and Wales)

**AFM HOLDINGS LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 OCTOBER 2015**

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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 2015

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The director presents the strategic report and financial statements for the year ended 31 October 2015.

### 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 6.3% 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 45% over the period, due largely to the reduced turnover but also affected by a large loss made in the year by a subsidiary company concerning the catering trade.

This catering trade, which is not significant to the group in terms of turnover (2.5% of group turnover), made a large loss in the year totalling £152,086. This catering trade was a new income stream created by the Group last year following investment in a restaurant, and it is expected that losses concerning the restaurant will be reduced next year, with the trade becoming profitable in the future.

The balance sheet of the financial statements shows an increase of 5.9% in the net assets, due to the overall profit made by the Group for the year. The available cash balance of the Group has increased by 26% due to the collection and closing out of a number of final customer accounts which were ongoing at the previous year-end, with the number of such large ongoing accounts around the year-end reduced compared to 2014.

### 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:

	2015	2014
	£	£
Turnover	12,277,397	13,099,342
Profit before tax	576,405	1,032,079

Gross profit margin for the year ended 31 October 2015 was 34% (2014: 35%).

### 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 2015

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### Future developments

Despite the ongoing challenging market conditions the directors are delighted to announce that the group have been successful in renewing the contract for Domestic Gas Servicing and Repair for 13,000 dwellings owned by the London Borough of Camden ("LBC"), directly with LBC. This contract is worth a minimum of £2million per annum, running until March 2021 with an option to extend through to 2026.

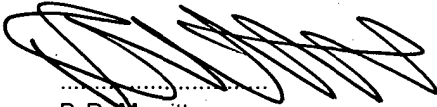
In addition the group has also secured a place on 2 Better Homes Frameworks for LBC, M&E small works and Major Mechanical upgrades. The major upgrade element of Better Homes has a commitment from LBC to spend upwards of £56million between the 5 chosen partners over the next 4 years.

With these successes the directors have begun a significant investment in new IT systems that will enable our engineers and back office to greatly increase efficiencies in service and repair, initially for LBC but ultimately across the whole BTU group before the end of the next financial period.

The directors are also putting plans in place to create a Central London hub with the ambition to significantly grow our share of the London domestic service and repair market over the next 2-3 years.

Meanwhile efforts continue to expand both our client base throughout the South and South East of England and increase our capabilities in environmentally sustainable technologies such as renewable energies.

On behalf of the board



P. D. Merritt

Director

21/04/16

# AFM HOLDINGS LIMITED

## DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 OCTOBER 2015

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The director presents his report and financial statements for the year ended 31 October 2015.

### 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 2014:

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:

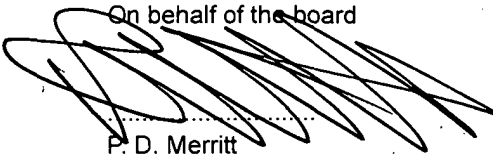
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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

21/04/16

# **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 2015 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 2015 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

*21 April 2016*  
.....

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 2015

	Notes	2015 £	2014 £
Turnover	2	12,277,397	13,099,352
Cost of sales		(8,080,474)	(8,573,830)
<b>Gross profit</b>		<b>4,196,923</b>	<b>4,525,522</b>
Distribution costs		(244,887)	(252,462)
Administrative expenses		(3,397,791)	(3,261,061)
<b>Operating profit</b>	<b>3</b>	<b>554,245</b>	<b>1,011,999</b>
Investment income	4	23,949	23,163
Other interest receivable and similar income		1,119	4
Interest payable and similar charges	5	(2,908)	(3,087)
<b>Profit on ordinary activities before taxation</b>	<b>3</b>	<b>576,405</b>	<b>1,032,079</b>
Tax on profit on ordinary activities	6	(132,116)	(224,489)
<b>Profit on ordinary activities after taxation</b>		<b>444,289</b>	<b>807,590</b>

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 2015

	Notes	Group		Company	
		2015 £	2014 £	2015 £	2014 £
<b>Fixed assets</b>					
Intangible assets	9	-	33,000	-	33,000
Tangible assets	10	485,697	480,557	480,878	473,084
Investments	11	-	-	290,310	290,310
		<u>485,697</u>	<u>513,557</u>	<u>771,188</u>	<u>796,394</u>
<b>Current assets</b>					
Stocks	12	326,468	350,724	-	-
Debtors	13	2,926,079	3,648,528	545,772	382,924
Investments	14	907,223	883,293	907,223	883,293
Cash at bank and in hand		2,892,910	2,294,800	213,417	253,259
		<u>7,052,680</u>	<u>7,177,345</u>	<u>1,666,412</u>	<u>1,519,476</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(2,165,167)</u>	<u>(2,625,456)</u>	<u>(1,477,721)</u>	<u>(1,315,785)</u>
<b>Net current assets</b>		<u>4,887,513</u>	<u>4,551,889</u>	<u>188,691</u>	<u>203,691</u>
<b>Total assets less current liabilities</b>		<u>5,373,210</u>	<u>5,065,446</u>	<u>959,879</u>	<u>1,000,085</u>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>(31,250)</u>	<u>(13,500)</u>	<u>(31,250)</u>	<u>(13,500)</u>
<b>Provisions for liabilities</b>	17	<u>(60,000)</u>	<u>(63,000)</u>	<u>(60,000)</u>	<u>(63,000)</u>
		<u>5,281,960</u>	<u>4,988,946</u>	<u>868,629</u>	<u>923,585</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	5,191,725	4,898,711	792,636	847,592
<b>Shareholders' funds</b>	21	<u>5,281,960</u>	<u>4,988,946</u>	<u>868,629</u>	<u>923,585</u>

Approved by the Board and authorised for issue on 21/10/16

  
P. D. Merritt  
Director

Company Registration No. 00784842

# AFM HOLDINGS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2015

	£	2015 £	£	2014 £
<b>Net cash inflow from operating activities</b>		1,060,029		621,770
<b>Returns on investments and servicing of finance</b>				
Interest received	1,119		4	
Interest paid	(2,908)		(3,087)	
Dividends received	23,949		22,862	
<b>Net cash inflow for returns on investments and servicing of finance</b>		22,160		19,779
<b>Taxation</b>		(193,974)		(357,044)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(145,416)		(148,914)	
Receipts from sales of tangible assets	5,599		12,499	
Receipts from sales of investments	-		301	
<b>Net cash outflow for capital expenditure</b>		(139,817)		(136,114)
<b>Equity dividends paid</b>		(151,275)		(151,275)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		597,123		(2,884)
<b>Management of liquid resources</b>				
Current asset investments	(23,930)		(23,439)	
		(23,930)		(23,439)
<b>Financing</b>				
Other new long term loans	75,000		-	
Repayment of other long term loans	(50,083)		(47,667)	
<b>Net cash inflow/(outflow) from financing</b>		24,917		(47,667)
<b>Increase/(decrease) in cash in the year</b>		598,110		(73,990)

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2015

<b>1</b>	<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		<b>2015</b>	<b>2014</b>	
			£	£	
	Operating profit		554,245	1,011,999	
	Depreciation of tangible assets		130,464	107,538	
	Amortisation of intangible assets		33,000	33,000	
	Loss on disposal of tangible assets		4,213	4,817	
	Decrease/(increase) in stocks		24,256	(17,172)	
	Decrease/(increase) in debtors		722,449	(937,296)	
	(Decrease)/Increase in creditors within one year		(408,598)	418,884	
	<b>Net cash inflow from operating activities</b>		<b>1,060,029</b>	<b>621,770</b>	
<b>2</b>	<b>Analysis of net funds</b>	<b>1 November 2014</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>31 October 2015</b>
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	2,294,800	598,110	-	2,892,910
	Liquid resources:				
	Current asset investments	883,293	23,930	-	907,223
	Debts falling due within one year	(31,333)	(7,167)	-	(38,500)
	Debts falling due after one year	(13,500)	(17,750)	-	(31,250)
		(44,833)	(24,917)	-	(69,750)
	<b>Net funds</b>	<b>3,133,260</b>	<b>597,123</b>	<b>-</b>	<b>3,730,383</b>
<b>3</b>	<b>Reconciliation of net cash flow to movement in net funds</b>		<b>2015</b>	<b>2014</b>	
			£	£	
	Increase/(decrease) in cash in the year		598,110	(73,990)	
	Cash outflow from increase in liquid resources		23,930	23,439	
	Cash (inflow)/outflow from (increase)/decrease in debt		(24,917)	47,667	
	<b>Movement in net funds in the year</b>		<b>597,123</b>	<b>(2,884)</b>	
	Opening net funds		3,133,260	3,136,144	
	<b>Closing net funds</b>		<b>3,730,383</b>	<b>3,133,260</b>	

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2015

---

### 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 2015

### 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

	2015	2014
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	33,000	33,000
Depreciation of tangible assets	130,464	107,538
Loss on disposal of tangible assets	4,213	4,817
Loss on foreign exchange transactions	-	79
Operating lease rentals	195,355	188,440
Fees payable to the group's auditor for the audit of the group's annual accounts (company £6,250; 2014: £6,250)	47,300	46,750
Additional tax services	650	-

and after crediting:

Profit on foreign exchange transactions	(218)	-
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### 4 Investment income

	2015	2014
	£	£
Income from fixed asset investments	23,949	23,163

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

<b>5</b>	<b>Interest payable</b>	<b>2015</b>	<b>2014</b>
		£	£
	On bank loans and overdrafts	35	-
	On overdue tax	200	773
	Other interest	2,673	2,314
		<u>2,908</u>	<u>3,087</u>
<b>6</b>	<b>Taxation</b>	<b>2015</b>	<b>2014</b>
		£	£
	<b>Domestic current year tax</b>		
	U.K. corporation tax	135,116	228,489
	<b>Total current tax</b>	<u>135,116</u>	<u>228,489</u>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(3,000)	(4,000)
		<u>132,116</u>	<u>224,489</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>576,405</u>	<u>1,032,079</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.39% (2014 - 21.65%)	<u>117,529</u>	<u>223,445</u>
	Effects of:		
	Non deductible expenses	24,287	25,869
	Depreciation add back	26,603	23,278
	Capital allowances	(28,420)	(39,089)
	Dividends and distributions received	(4,883)	(5,014)
		<u>17,587</u>	<u>5,044</u>
	<b>Current tax charge for the year</b>	<u>135,116</u>	<u>228,489</u>

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

### 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:

	2015 £	2014 £
Holding company's profit for the financial year	96,319	98,853

### 8 Dividends

	2015 £	2014 £
Ordinary final paid	151,275	151,275

An interim dividend of £96,816 was paid for the year ending 31 October 2016 in January 2016.

A further interim dividend of £54,459 was paid for the year ending 31 October 2016 in March 2016.

### 9 Intangible fixed assets Group

	Goodwill £
<b>Cost</b>	
At 1 November 2014 & at 31 October 2015	66,000
<b>Amortisation</b>	
At 1 November 2014	33,000
Charge for the year	33,000
At 31 October 2015	66,000
<b>Net book value</b>	
At 31 October 2015	-
At 31 October 2014	33,000



# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

### 9 Intangible fixed assets

(Continued)

#### Company

	Goodwill £
<b>Cost</b>	
At 1 November 2014 & at 31 October 2015	66,000
<b>Amortisation</b>	
At 1 November 2014	33,000
Charge for the year	33,000
At 31 October 2015	66,000
<b>Net book value</b>	
At 31 October 2015	-
At 31 October 2014	33,000

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 2014	37,055	208,526	111,127	468,378	825,086
Additions	21,870	-	2,440	121,106	145,416
Disposals	-	-	-	(65,825)	(65,825)
At 31 October 2015	58,925	208,526	113,567	523,659	904,677
<b>Depreciation</b>					
At 1 November 2014	1,853	58,043	50,503	234,130	344,529
On disposals	-	-	-	(56,013)	(56,013)
Charge for the year	11,785	28,192	19,887	70,600	130,464
At 31 October 2015	13,638	86,235	70,390	248,717	418,980
<b>Net book value</b>					
At 31 October 2015	45,287	122,291	43,177	274,942	485,697
At 31 October 2014	35,202	150,483	60,624	234,248	480,557

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

(Continued)

### Tangible fixed assets

#### Company

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 November 2014	37,055	197,909	109,779	468,378	813,121
Additions	21,870	-	2,440	121,106	145,416
Disposals	-	-	-	(65,825)	(65,825)
At 31 October 2015	58,925	197,909	112,219	523,659	892,712
<b>Depreciation</b>					
At 1 November 2014	1,853	54,780	49,274	234,130	340,037
On disposals	-	-	-	(56,013)	(56,013)
Charge for the year	11,785	25,538	19,887	70,600	127,810
At 31 October 2015	13,638	80,318	69,161	248,717	411,834
<b>Net book value</b>					
At 31 October 2015	45,287	117,591	43,058	274,942	480,878
At 31 October 2014	35,202	143,129	60,505	234,248	473,084

### 11 Fixed asset investments

#### Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 November 2014 & at 31 October 2015	290,310
<b>Net book value</b>	
At 31 October 2015	290,310
At 31 October 2014	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 2015

### 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	
	2015	2014	2015	2014
	£	£	£	£
Work in progress	23,676	17,991	-	-
Finished goods and goods for resale	302,792	332,733	-	-
	<u>326,468</u>	<u>350,724</u>	<u>-</u>	<u>-</u>

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

### 13 Debtors

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	1,291,760	1,715,527	-	-
Amounts owed by group undertakings	-	-	468,782	302,046
Other debtors	347,870	388,890	30,193	50,802
Prepayments and accrued income	1,286,449	1,544,111	46,797	30,076
	<u>2,926,079</u>	<u>3,648,528</u>	<u>545,772</u>	<u>382,924</u>

### 14 Current asset investments

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Listed investments	<u>907,223</u>	<u>883,293</u>	<u>907,223</u>	<u>883,293</u>
Market valuation of listed investments	<u>942,496</u>	<u>919,318</u>	<u>942,496</u>	<u>919,318</u>

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

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Trade creditors	866,766	1,174,057	-	-
Amounts owed to group undertakings	-	-	1,367,650	1,239,934
Corporation tax	98,726	157,584	42,475	32,575
Taxes and social security costs	458,325	444,599	-	-
Other creditors	65,636	57,798	38,500	31,333
Accruals and deferred income	675,714	791,418	29,096	11,943
	<u>2,165,167</u>	<u>2,625,456</u>	<u>1,477,721</u>	<u>1,315,785</u>

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Other loans	31,250	13,500	31,250	13,500
<b>Analysis of loans</b>				
Wholly repayable within five years	69,750	44,833	69,750	44,833
Included in current liabilities	(38,500)	(31,333)	(38,500)	(31,333)
	31,250	13,500	31,250	13,500
<b>Loan maturity analysis</b>				
In more than one year but not more than two years	25,000	13,500	25,000	13,500
In more than two years but not more than five years	6,250	-	6,250	-

### 17 Provisions for liabilities

	Deferred taxation £
<b>Group</b>	
Balance at 1 November 2014	63,000
Profit and loss account	(3,000)
Balance at 31 October 2015	60,000
<b>Company</b>	
Balance at 1 November 2014	63,000
Profit and loss account	(3,000)
Balance at 31 October 2015	60,000

The deferred tax liability is made up as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Accelerated capital allowances	60,000	63,000	60,000	63,000

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

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

#### Defined contribution

	2015 £	2014 £
Contributions payable by the group for the year	83,910	71,395
Contributions payable to the fund at the year end and included in creditors	(5,576)	(2,151)

### 19 Share capital

	2015 £	2014 £
<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 2014	993	14,242	4,898,711
Profit for the year	-	-	444,289
Dividends paid	-	-	(151,275)
Balance at 31 October 2015	993	14,242	5,191,725

#### Other reserves

##### Capital redemption reserve

Balance at 1 November 2014 & at 31 October 2015	14,242
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#### Company

	Share premium account £	Other reserves £	Profit and loss account £
Balance at 1 November 2014	993	-	847,592
Profit for the year	-	-	96,319
Dividends paid	-	-	(151,275)
Balance at 31 October 2015	993	-	792,636

# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

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21 Reconciliation of movements in shareholders' funds	2015	2014
Group	£	£
Profit for the financial year	444,289	807,590
Dividends	(151,275)	(151,275)
	<hr/>	<hr/>
Net addition to shareholders' funds	293,014	656,315
Opening shareholders' funds	4,988,946	4,332,631
	<hr/>	<hr/>
Closing shareholders' funds	5,281,960	4,988,946
	<hr/> <hr/>	<hr/> <hr/>
	2015	2014
	£	£
Profit for the financial year	96,319	98,853
Dividends	(151,275)	(151,275)
	<hr/>	<hr/>
Net depletion in shareholders' funds	(54,956)	(52,422)
Opening shareholders' funds	923,585	976,007
	<hr/>	<hr/>
Closing shareholders' funds	868,629	923,585
	<hr/> <hr/>	<hr/> <hr/>

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# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

### 22 Financial commitments

At 31 October 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
Within one year	-	92,700
Between two and five years	42,000	42,000
In over five years	114,500	36,000
	<u>156,500</u>	<u>170,700</u>

At 31 October 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
Within one year	-	79,200
In over five years	114,500	36,000
	<u>114,500</u>	<u>115,200</u>

### 23 Director's remuneration

	2015	2014
	£	£
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 (2014 - 1).



# AFM HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

### 24 Employees

#### Number of employees

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

	2015 Number	2014 Number
Management	6	7
Production	61	61
Administration	58	53
	<u>125</u>	<u>121</u>

#### Employment costs

	2015 £	2014 £
Wages and salaries	3,732,247	3,559,278
Social security costs	387,162	368,795
Other pension costs	83,910	71,395
	<u>4,203,319</u>	<u>3,999,468</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:

	2015 £	2014 £
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 2015

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### 26 Related party relationships and transactions

(Continued)

#### Other transactions

During the period rent totalling £79,142 (2014: £79,200) was paid to AFM Limited Pension Fund Trust. The relevant lease was renewed in the year and now has just under 10 year's to run (to 10 August 2025). 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 £69,750 (2014: £44,833) 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 (2014: £42,000) was paid to AFM Pension Trust Fund, of which the trustees are Paul Merritt and Whitefoord Pension & Trustee Services Ltd. The relevant lease has just over 2 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.