

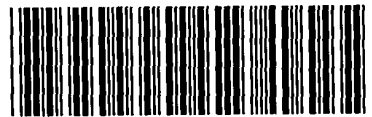
AIR PLANTS DUST EXTRACTION LIMITED

Report and Financial Statements

Year ended 30 September 2015

Company Number 03292598

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COMPANIES HOUSE

BDO LLP
Pannell House
159 Charles Street
Leicester LE1 1LD
Tel: 0116 250 4400 Fax: 0116 285 4651

Registrar's Copy

Air Plants Dust Extraction Limited

Company Information

Directors	P C Fletcher C J Smith J G Smith J T Wilkinson M J Beasley
Company secretary	J T Wilkinson
Registered number	03292598
Registered office	295 Aylestone Road Leicester LE2 7PB
Independent auditor	BDO LLP Pannell House 159 Charles Street Leicester LE1 1LD
Bankers	National Westminster Bank plc 1 Granby Street Leicester LE1 9GT

Air Plants Dust Extraction Limited

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Air Plants Dust Extraction Limited

Strategic Report For the Year Ended 30 September 2015

Introduction

The principal activity of the company is the manufacture and installation of dust extraction equipment and solutions to the woodworking industry.

Business review

Air Plants Dust Extraction Ltd has had a very good year with turnover showing an increase on the previous year. We are striving to improve margins and continue to remain very aware of the need to control overheads as far as possible whilst looking to increase our market share and continue to build on these results. Margins are becoming tighter as our financial model changes whereby we buy in more stock to sell on. The current year is looking positive having already received some good orders.

Principal risks and uncertainties

We have reviewed our principal risks and uncertainties as below:

The factors listed should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties nor should they be viewed as major risks to the future of our business.

We must continue to work hard to secure volume and drive costs down. It is essential that we remain competitive within our core market.

Overall, we are very confident about the future of our business and we are continuing to review our options so we can expand the business as and when opportunities occur.

Financial key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 22nd June 2016 and signed on its behalf.

M J Beasley
Director



Air Plants Dust Extraction Limited

Directors' Report For the Year Ended 30 September 2015

The directors present their report and the audited financial statements for the year ended 30 September 2015.

Directors

The directors who served during the year were:

P C Fletcher
C J Smith
J G Smith
J T Wilkinson
M J Beasley

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £371,554 (2014 - £229,415).

The company paid an interim dividend of £350,000 for the year ended 30 September 2015. A final dividend of £25,000 for the year ended 30th September 2015 will be paid within one week of signing these accounts.

Research and development activities

The company carries out research and development into new dust extraction systems.

Air Plants Dust Extraction Limited

Directors' Report For the Year Ended 30 September 2015

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22nd June 2016 and signed on its behalf.



M J Beasley
Director

Air Plants Dust Extraction Limited

Independent Auditor's report to the members of Air Plants Dust Extraction Limited

We have audited the financial statements of Air Plants Dust Extraction Limited for the year ended 30 September 2015 which comprise the profit and loss account, the balance sheet and the related notes. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, the directors are 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Air Plants Dust Extraction Limited

Independent Auditor's report to the members of Air Plants Dust Extraction 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

BDO LLP

Roger Merchant (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Leicester
United Kingdom

23/6/16

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Air Plants Dust Extraction Limited

Profit and Loss Account For the Year Ended 30 September 2015

	Note	2015 £	2014 £
TURNOVER	1,2	7,070,951	5,404,223
Cost of sales		(4,345,943)	(3,241,492)
GROSS PROFIT		2,725,008	2,162,731
Distribution costs		(145,800)	(120,690)
Administrative expenses		(2,188,368)	(1,808,008)
OPERATING PROFIT	3	390,840	234,033
Interest receivable and similar income		28,024	16,379
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		418,864	250,412
Tax on profit on ordinary activities	7	(47,310)	(20,997)
PROFIT FOR THE FINANCIAL YEAR	16	371,554	229,415

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

The notes on pages 8 to 16 form part of these financial statements.

Air Plants Dust Extraction Limited

Registered number: 03292598

Balance Sheet As at 30 September 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	8		9,666		11,879
Investments	9		737,500		737,500
			<u>747,166</u>		<u>749,379</u>
CURRENT ASSETS					
Stocks	10	10,770		11,687	
Debtors	11	1,694,852		1,546,229	
Cash at bank		417,641		783,689	
		<u>2,123,263</u>		<u>2,341,605</u>	
CREDITORS: amounts falling due within one year	12	(2,525,626)		(2,845,168)	
NET CURRENT LIABILITIES			<u>(402,363)</u>		<u>(503,563)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>344,803</u>		<u>245,816</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	13	(616)		(927)	
Other provisions	14	(220,156)		(142,412)	
		<u>(220,772)</u>		<u>(143,339)</u>	
NET ASSETS			<u>124,031</u>		<u>102,477</u>
CAPITAL AND RESERVES					
Called up share capital	15		1,000		1,000
Profit and loss account	16		123,031		101,477
SHAREHOLDERS' FUNDS	17		<u>124,031</u>		<u>102,477</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

22/6/16.

M. J. Beasley

M J Beasley
Director

The notes on pages 8 to 16 form part of these financial statements.

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

The company is engaged in the manufacture and installation of dust extraction equipment and solutions to the woodworking industry. Turnover represents sales to third parties and other subsidiary companies within the group. It includes amounts recognised on contracts where the right to consideration has been obtained.

1.3 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	25% per annum reducing balance (Vans - 33.33% per annum on a reducing basis)
Fixtures and fittings	-	15% per annum reducing balance

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

1.6 Stocks

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. Provision is made for the full amounts of foreseeable losses on contracts.

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2015

1. Accounting Policies (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

1.9 Long-term contracts

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 contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.10 Pensions

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

2. Turnover

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	2,213	2,839
Operating lease rentals:		
- plant and machinery	114,792	104,453
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Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2015

4. Auditors' remuneration

	2015 £	2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	4,500	5,790
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services	500	500

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	2,332,894	1,943,958
Social security costs	256,475	213,432
Other pension costs	26,385	21,909
	<u>2,615,754</u>	<u>2,179,299</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Directors	5	5
Other staff	62	60
	<u>67</u>	<u>65</u>

6. Directors' remuneration

	2015 £	2014 £
Remuneration	<u>244,031</u>	<u>181,359</u>
Company pension contributions to defined contribution pension schemes	<u>6,878</u>	<u>6,297</u>

During the year retirement benefits were accruing to 2 directors (2014 - 2) in respect of defined contribution pension schemes.

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2015

6. Directors' remuneration (continued)

The highest paid director received remuneration of £176,496 (2014 - £145,158).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,660 (2014 - £6,297).

7. Taxation

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	48,248	21,430
	<u>48,248</u>	<u>21,430</u>
Adjustments in respect of prior periods	(627)	-
	<u>47,621</u>	<u>21,430</u>
Total current tax	47,621	21,430
Deferred tax (see note 13)		
Origination and reversal of timing differences	(311)	(433)
	<u>47,310</u>	<u>20,997</u>
Tax on profit on ordinary activities	47,310	20,997

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21% (2014 - 22%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	418,864	250,412
	<u>418,864</u>	<u>250,412</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 22%)	87,961	55,091
Effects of:		
Other differences leading to a decrease in taxation	(673)	(471)
Adjustment in research and development tax credit leading to a decrease in the tax charge	(39,040)	(33,190)
Adjustments in respect of prior periods	(627)	-
	<u>47,621</u>	<u>21,430</u>
Current tax charge for the year (see note above)	47,621	21,430

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2015

7. Taxation (continued)

Factors that may affect future tax charges

The main rate of UK corporation tax was reduced from 21% to 20% from 1 April 2015 and this is recognised in these financial statements. At the balance sheet date further reductions had been announced to reduce the rate to 19% from 1 April 2017 and 18% from 1 April 2020. As these had not been enacted at the balance sheet date, deferred tax has been recognised at 20% in these accounts.

8. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Total £
Cost			
At 1 October 2014 and 30 September 2015	4,715	368,274	372,989
Depreciation			
At 1 October 2014	2,532	358,578	361,110
Charge for the year	728	1,485	2,213
At 30 September 2015	3,260	360,063	363,323
Net book value			
At 30 September 2015	1,455	8,211	9,666
At 30 September 2014	2,183	9,696	11,879

9. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 October 2014 and 30 September 2015	737,500
Net book value	
At 30 September 2015	737,500
At 30 September 2014	737,500

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2015

9. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Talbott's Biomass Energy Systems Limited	Ordinary	85%

The aggregate of the share capital and reserves as at 30 September 2015 and of the profit or loss for the two months ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit £
Talbott's Biomass Energy Systems Limited	(30,225)	68,788

10. Stocks

	2015 £	2014 £
Raw materials	10,770	11,687

11. Debtors

	2015 £	2014 £
Trade debtors	1,078,427	747,168
Amounts owed by group undertakings	327,195	331,339
Other debtors	4,736	4,436
Prepayments and accrued income	41,018	29,944
Amounts recoverable on long term contracts	243,476	433,342
	<u>1,694,852</u>	<u>1,546,229</u>

12. Creditors: Amounts falling due within one year

	2015 £	2014 £
Payments received on account	46,930	246,895
Trade creditors	644,652	767,005
Amounts owed to group undertakings	877,576	1,235,817
Corporation tax	38,818	21,430
Other taxation and social security	198,682	157,294
Other creditors	538,802	416,548
Accruals and deferred income	180,166	179
	<u>2,525,626</u>	<u>2,845,168</u>

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2015

12. Creditors: Amounts falling due within one year (continued)

A debenture was created on 31 December 1996 in favour of Smith Brothers (Leicester) Limited establishing fixed and floating charges on all of the assets of Air Plants Dust Extraction Limited to secure all current and future amounts due.

13. Deferred taxation

	2015 £	2014 £
At beginning of year	927	1,360
Released during year (P&L)	(311)	(433)
At end of year	<u>616</u>	<u>927</u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>616</u>	<u>927</u>

14. Provisions for liabilities

	Guarantee provision £
At 1 October 2014	142,412
Additions	77,744
At 30 September 2015	<u>220,156</u>

Guarantee provision

The guarantee provision is calculated with reference to warranty costs incurred by the company after the year end on contracts completed by the year end.

15. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2015

16. Reserves

	Profit and loss account £
At 1 October 2014	101,477
Profit for the financial year	371,554
Dividends: Equity capital	(350,000)
	<u>123,031</u>
At 30 September 2015	<u>123,031</u>

17. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	102,477	73,062
Profit for the financial year	371,554	229,415
Dividends (Note 18)	(350,000)	(200,000)
	<u>124,031</u>	<u>102,477</u>
Closing shareholders' funds	<u>124,031</u>	<u>102,477</u>

18. Dividends

	2015 £	2014 £
Ordinary interim dividend paid re current year	350,000	200,000

A final dividend of £25,000 for the year ended 30th September 2015 will be paid within one week of signing these accounts.

19. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £Nil (2014 - £Nil). No contributions were due to the fund at the year end.

A further £26,385 (2014: £21,909) was paid to personal pension plans during the year:

Money Purchase Scheme £6,297 (2014: £6,297)

Personal Pension Plans £20,088 (2014: £15,612)

Contributions payable by the company for the year totalled £26,385 (2014: £21,909)

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2015

20. Operating lease commitments

At 30 September 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	8,376	9,999
Between 2 and 5 years	88,212	94,144

21. Related party transactions

During the period ending 30 September 2015 the company was charged £114,792 (2014: £104,453) for rental and purchase of vehicles and equipment from Brightside Securities Limited.

Sales to Charles Bass Limited for sales/ancillary services during the period amounted to £775 (2014: £1,318) Exc. VAT. The balance owed by the company to Charles Bass Limited as at 30 September 2015 was £Nil (2014: £Nil) Inc. VAT. The balance owed by Charles Bass Limited to the company was £930 (2014: £1,582) Inc. VAT.

Both Charles Bass Limited and Brightside Securities Limited are companies in which Mr J.G. Smith and Mr P.C. Fletcher are directors. In addition, they are both shareholders of Charles Bass Limited and Mr J.T. Wilkinson and Mr J.G. Smith have non-beneficial shareholdings in Brightside Securities Limited. Mr J.G. Smith, Mr P.C. Fletcher, Mr J.T. Wilkinson, Mr C.J. Smith and Mrs M.J. Beasley are also directors and shareholders of Smith Brothers (Leicester) Limited, although certain shareholdings are non-beneficial. Mr C.J. Smith and Mr J.T. Wilkinson are also Directors of Talbotts Biomass Energy Systems Ltd.

During the year the company made purchases of £16,800 including VAT (2014 - £Nil) from Elmfield Facility Management Services Limited. At the end of the year a balance of £16,800 including VAT (2014 - £Nil) was due to Elmfield Facility Management Services Limited.

Elmfield Facility Management Services Limited is a company in which Mr J G Smith, Mr P C Fletcher and Mr J T Wilkinson are directors.

During the year the company made sales of £413,821 (2014: £133,043) to Talbott's Biomass Energy Systems Limited. At the end of the year a balance of £298,071 (2014: £350,589) was due from Talbott's Biomass Energy Systems Limited.

Talbott's Biomass Energy Systems Limited is 85% owned by Air Plants Dust Extraction Ltd.

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 - Related Party Transactions and not separately disclosed transactions with group companies.

22. Ultimate parent undertaking and controlling party

The ultimate parent company is Smith Brothers (Leicester) Limited, a company registered in England and Wales.

Smith Brothers (Leicester) Limited prepares group financial statements and copies can be obtained from Companies House.