

Air Plants Dust Extraction Limited

Report and Financial Statements

Year Ended

30 September 2016

Company Number 03292598

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Air Plants Dust Extraction Limited

Company Information

Directors	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 2016

The directors present the strategic report together with the audited financial statements for the year ended 30 September 2016.

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

Business review

Air Plants Dust Extraction Ltd has had another very good year. Turnover was down slightly on the previous year however the margin has improved. This is a good result in a tough market with strong competition.

We are striving to increase turnover further whilst continuing to improve margins. We 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.

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 26th June 2017 and signed on its behalf.



M J Beasley
Director

Air Plants Dust Extraction Limited

Directors' Report For the Year Ended 30 September 2016

The directors present their report together with the audited financial statements for the year ended 30 September 2016.

Business review

A review of the business and its principal risks and uncertainties is set out in the strategic report on page 1 of these financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £482,765 (2015 - £371,554).

During the year the company paid a final Dividend of £25,000 (2015 - £nil) relating to the year ending 30th September 2015 and an interim Dividend of £nil (2015 - £350,000) relating to year ending 30 September 2016.

An interim Dividend of £300,000 has been paid post year end relating to year ended 30 September 2016.

A final dividend of £180,000 will be paid within one week of the date of approval of these accounts.

Directors

The directors who served during the year were:

P C Fletcher (deceased 10 December 2016)
C J Smith
J G Smith
J T Wilkinson
M J Beasley

Research and development activities

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

Qualifying third party indemnity provisions

During the period and up to the date of this report directors indemnity insurance was in place. This covers all qualifying directors.

Air Plants Dust Extraction Limited

Directors' Report (continued) For the Year Ended 30 September 2016

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 the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the 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 26th June 2017 and signed on its behalf.



M J Beasley
Director

Air Plants Dust Extraction Limited

Directors' Responsibilities Statement For the Year Ended 30 September 2016

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 judgements and accounting estimates that are reasonable and prudent; and
- 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 to 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.

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 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 auditors

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 2016 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.

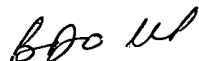
Air Plants Dust Extraction Limited

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.


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

28 June 2017

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

Air Plants Dust Extraction Limited

Statement of Comprehensive Income For the Year Ended 30 September 2016

	Note	2016 £	2015 £
Turnover	4	6,580,725	7,070,951
Cost of sales		(3,864,434)	(4,345,943)
Gross profit		2,716,291	2,725,008
Research and development costs		(153,046)	(145,800)
Administrative expenses		(2,024,608)	(2,188,368)
Operating profit	5	538,637	390,840
Interest receivable and similar income	9	15,293	28,024
Profit before tax		553,930	418,864
Tax on profit	10	(71,165)	(47,310)
Profit for the year		482,765	371,554

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 10 to 25 form part of these financial statements.

Air Plants Dust Extraction Limited

Registered number:03292598

Statement of Financial Position As at 30 September 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	12		7,917		9,666
Investments	13		737,500		737,500
			<u>745,417</u>		<u>747,166</u>
Current assets					
Stocks	14	18,664		10,770	
Debtors: amounts falling due within one year	15	1,734,609		1,793,929	
Cash at bank and in hand	16	232,406		417,641	
		<u>1,985,679</u>		<u>2,222,340</u>	
Creditors: amounts falling due within one year	17	(1,916,819)		(2,624,703)	
Net current assets/(liabilities)			<u>68,860</u>		<u>(402,363)</u>
Total assets less current liabilities			<u>814,277</u>		<u>344,803</u>
Provisions for liabilities					
Deferred tax	18	(425)		(616)	
Other provisions	19	(232,056)		(220,156)	
			<u>(232,481)</u>		<u>(220,772)</u>
Net assets			<u>581,796</u>		<u>124,031</u>
Capital and reserves					
Called up share capital	20		1,000		1,000
Profit and loss account	21		580,796		123,031
Total equity			<u>581,796</u>		<u>124,031</u>

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

26th June 2017

M. J. Beasley

M J Beasley
Director

The notes on pages 10 to 25 form part of these financial statements.

Air Plants Dust Extraction Limited

Statement of Changes in Equity For the Year Ended 30 September 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2015	1,000	123,031	124,031
Comprehensive income for the year			
Profit for the year	-	482,765	482,765
Total comprehensive income for the year	-	482,765	482,765
Dividends: Equity capital	-	(25,000)	(25,000)
Total transactions with owners	-	(25,000)	(25,000)
At 30 September 2016	1,000	580,796	581,796

Statement of Changes in Equity For the Year Ended 30 September 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2014	1,000	101,477	102,477
Comprehensive income for the year			
Profit for the year	-	371,554	371,554
Total comprehensive income for the year	-	371,554	371,554
Dividends: Equity capital	-	(350,000)	(350,000)
Total transactions with owners	-	(350,000)	(350,000)
At 30 September 2015	1,000	123,031	124,031

The notes on pages 10 to 25 form part of these financial statements.

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

1. General information

Air Plants Dust Extraction Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

The date of transition to Financial Reporting Standard 102 was 1 October 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Smith Brothers (Leicester) Limited as at 30 September 2016 and these financial statements may be obtained from Companies House.

2.3 Consolidated financial statements

The financial statements contain information about Air Plants Dust Extraction Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt from preparing group accounts under section 400 of the Companies Act 2006.

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Motor vehicles - cars	- 25% per annum reducing balance
Motor vehicles - vans	- 33.33% per annum reducing balance
Fixtures, fittings and equipment	- 15% per annum reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted respectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

2. Accounting policies (continued)

2.11 Financial Instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.15 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

2.16 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.19 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements the directors have had to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historic experience and various other factors that are believed to be reasonable under circumstances. The result of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The significant judgements, estimates and assumptions are:

- Trade Debtors

At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the income statement.

- Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Amounts recoverable on contracts

At each reporting date long term contracts are assessed for stage of completion and appropriate adjustments made to recognise these in debtors and turnover. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the statement of comprehensive income.

- Warranty provision

The critical estimates, assumptions and judgements relate to the determination of the level of claims for remedial work that will be received, and the expected costs incurred to correct any defect with products which are covered under warranties. In determining these amounts, the company considers the repair/remedial process involved based on experience as well as considering the historical position of such claims to assess the potential for future claims.

4. Turnover

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

All turnover arose within the United Kingdom.

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	1,749	2,213
Operating lease rentals	<u>114,956</u>	<u>114,792</u>

6. Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	4,776	4,500
Fees payable to the company's auditor and its associates in respect of:		
Other services relating to taxation	<u>500</u>	<u>500</u>

7. Employees

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

	2016 £	2015 £
Wages and salaries	2,298,002	2,340,984
Social security costs	250,195	256,475
Cost of pension schemes	26,117	26,385
	<u>2,574,314</u>	<u>2,623,844</u>

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

	2016 No.	2015 No.
Directors	5	5
Other staff	60	62
	<u>65</u>	<u>67</u>

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	237,643	244,031
Company contributions to pension schemes	6,703	6,878
	<u>244,346</u>	<u>250,909</u>

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £217,492 (2015 - £176,496).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,480 (2015 - £6,660).

9. Interest receivable and similar income

	2016 £	2015 £
Other interest receivable	<u>15,293</u>	<u>28,024</u>

10. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	71,356	48,248
Adjustments in respect of prior periods	-	(627)
Total current tax	<u>71,356</u>	<u>47,621</u>
Deferred tax		
Origination and reversal of timing differences	<u>(191)</u>	<u>(311)</u>
Taxation on profit on ordinary activities	<u>71,165</u>	<u>47,310</u>

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>553,930</u>	<u>418,864</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	110,786	87,961
Effects of:		
Non deductible expenses	194	359
Adjustments to tax charge in respect of prior periods	-	(627)
Other tax adjustments	(39,792)	(39,040)
Other differences leading to an decrease in the tax charge	(23)	(1,343)
Total tax charge for the year	<u>71,165</u>	<u>47,310</u>

Factors that may affect future tax charges

The provision for deferred tax is calculated based on the tax rates enacted or substantially enacted at the balance sheet date. The Finance (No.2) Act 2015 enacted the corporation tax rate to reduce from the current rate of 20% to 19% from 1 April 2017 with a further reduction to 18% from April 2020. On 24 March 2016, the Chancellor of the Exchequer announced that legislation would be introduced in Finance Act 2016 to reduce the main rate of corporation tax to 17% from 1 April 2020, superseding the 18% rate effective from that date introduced in Finance (No.2) Act 2015. These changes to the future tax rate were substantively enacted at the balance sheet date.

11. Dividends

	2016 £	2015 £
Interim dividend for 2015 paid on ordinary shares (£350 per share)	-	350,000
Final dividend for 2015 paid on ordinary shares (£25 per share)	25,000	-
	<u>25,000</u>	<u>350,000</u>

An interim dividend of £300,000 has been paid post year end relating to the current year.

A final dividend of £180,000 will be paid within one week of the date of approval of these accounts.

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

12. Tangible fixed assets

	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 October 2015	4,715	368,274	372,989
At 30 September 2016	4,715	368,274	372,989
Depreciation			
At 1 October 2015	3,260	360,063	363,323
Charge for the year	485	1,264	1,749
At 30 September 2016	3,745	361,327	365,072
Net book value			
At 30 September 2016	970	6,947	7,917
At 30 September 2015	1,455	8,211	9,666

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2015	737,500
At 30 September 2016	<u>737,500</u>
Net book value	
At 30 September 2016	<u>737,500</u>
At 30 September 2015	<u>737,500</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company. All are incorporated in England and Wales.

Name	Class of shares	Holding	Principal activity
Talbott Biomass Energy Systems Limited	Ordinary	85%	Manufacture of biomass boilers

14. Stocks

	2016 £	2015 £
Raw materials	<u>18,664</u>	<u>10,770</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £2,436,859 (2015 - £2,889,937).

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

15. Debtors

	2016 £	2015 £
Trade debtors	960,932	1,290,876
Amounts owed by group undertakings	602,923	327,195
Other debtors	38,381	4,736
Prepayments and accrued income	31,038	41,018
Amounts recoverable on long term contracts	101,335	130,104
	<u>1,734,609</u>	<u>1,793,929</u>

16. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	232,406	417,641
	<u>232,406</u>	<u>417,641</u>

17. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	806,163	644,652
Amounts owed to group undertakings	21,832	877,576
Corporation tax	57,856	38,818
Other taxation and social security	195,913	198,682
Other creditors	429,950	538,802
Accruals and deferred income	405,105	326,173
	<u>1,916,819</u>	<u>2,624,703</u>

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.

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

18. Deferred taxation

	2016 £
At beginning of year	616
Charged to profit or loss	(191)
At end of year	425

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	425	616

19. Provisions

	Guarantee provision £
At 1 October 2015	220,156
Charged to the profit or loss	232,056
Utilised in year	(220,156)
At 30 September 2016	232,056

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.

20. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

21. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

22. 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 (2015 - £Nil). No contributions were due to the fund at the year end.

A further £26,385 was paid to personal pension plans during the year.

Money Purchase Scheme £6,297 (2015 - £6,297)

Personal Pension Plans £20,088 (2015 - £20,088)

Contributions payable by the company for the year totalled £26,385 (2015 - £26,385)

23. Commitments under operating leases

At 30 September 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Within 1 year	95,198	78,253
Between 2 and 5 years	102,989	49,923
	<u>198,187</u>	<u>128,176</u>

Air Plants Dust Extraction Limited

Notes to the Financial Statements For the Year Ended 30 September 2016

24. Related party transactions

During the period ending 30 September 2016 the company was charged £116,478 (2015: £114,7912) 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 £685 (2015 - £775).

The balance owed to the company by Charles Bass Limited as at 30 September 2016 was £822 (2015 - £930).

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 Limited.

During the year the company made purchases of £49,400 (2015 - £16,800) from Elmfield Facility Management Services Limited. At the end of the year a balance of £15,180 (2015 - £16,800) 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 £188,759 (2015 - £413,821) to and purchases of £396,592 (2015 - £593,052) from Talbotts Biomass Energy Systems Limited. At the end of the year a balance of £204,669 made up of £322 (debtors) + £234,239 (loans) - £29,892 (creditors) (2015 - £298,071) was due from Talbotts Biomass Energy Systems Limited.

Talbotts Biomass Energy Systems Limited is 85% owned by Air Plants Dust Extraction Limited.

25. Controlling party

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

The parent undertaking for the smallest and largest group for which consolidated accounts are prepared is Smith Brothers (Leicester) Limited.

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

26. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.