REG

Group Strategic Report,

Report of the Directors and

Consolidated Financial Statements

for the Year Ended 31 January 2015

for

Clugston Group Limited

Contents of the Consolidated Financial Statements for the Year Ended 31 January 2015

Company Information
for the Year Ended 31 January 2015

DIRECTORS:	J W A Clugston (Chairman) S F Martin (Chief Executive) M H Bales D W A Clugston J A B Kelly S J Radcliffe A W Walker
SECRETARY:	M H Bales
REGISTERED OFFICE:	St Vincent House Normanby Road Scunthorpe North Lincolnshire DN15 8QT
REGISTERED NUMBER:	00333188 (England and Wales)
AUDITORS:	BDO LLP 1 Bridgewater Place Water Lane Leeds LS11 5RU

Group Strategic Report
for the Year Ended 31 January 2015

The directors present their strategic report of the company and the group for the year ended 31 January 2015.

Clugston Group has achieved another strong set of results with solid profitability, impressive cash balances and a sharp increase in turnover to the highest level in the group's history.

PRINCIPAL ACTIVITY
The principal activity of the group during the year under review was the provision of industrial services including civil engineering, building contracting, facilities management, logistics services and property development.

RESULTS
Turnover was up 9% from £231.2m to £252.9m for the year to 31 January 2015 - the highest in our 77 year history. Group profit before taxation, whilst down from the record breaking levels of the past couple of years, was at a satisfactory level of £3.3m. Accumulated cash balances are at a favourable level of £24m and group net assets ended the year at £16.1m.

	2015	2014
	£000	£000
Operating profit:		
Construction	2,952	7,367
Logistics	(149)	(127)
Property and other activities	559	(720)
	3,362	6,520
Net interest payable	(107)	(225)
Profit before taxation	3,255	6,295

REVIEW OF THE BUSINESS

Construction
Our construction business continued to grow organically and deliver an impressive set of figures as the economy continues to expand. We increased our activity in the energy from waste market, with significant progress on major schemes in Leeds and Wilton together with the Ridham biomass plant, all in conjunction with our joint venture process partner CNIM.

We stepped up our production levels in the education sector and completed several school upgrades whilst commencing work on the Humber University Technical College. Several major regional projects commenced during the year and our recently established West Midlands business secured several key contracts including a new facility for Birmingham Dogs Home and an extension to a retail park in Cannock.

Our facilities management and refurbishment businesses have continued to secure and deliver satisfactory workloads for our existing and new customers.

Turnover increased 5% from £136.7m to reach £143.3m, the fourth consecutive year of growth. However, due to the increased cost of materials and resources significantly outstripping any increase in tender prices we did not maintain the levels of profitability enjoyed in recent years. Nevertheless, the resulting level of profit at £3.0m stands up to scrutiny with any of our industry peers.

Logistics
Our logistics business delivered another year of growth as turnover increased 16% from £13.2m to £15.3m - the highest level in the business in over a decade following a period of significant investment in new vehicles. However, it is disappointing to report a loss of £0.1m for the year.

During the latter part of the year a significant overhead reduction programme was implemented along with a number of rate rises from key customers and withdrawal from unprofitable contracts. We expect that the business will return to profitability in the current financial year.

The petroleum operation has expanded with a customer base of twenty clients and new operations on Teesside. We are increasing our night shift activity to maximise fleet efficiency.

Whilst the steel and cement markets remain steady we are renegotiating rates and exiting unprofitable work.

Within the food market we continue to secure work that better fits our network profile and better balances our resources to predicted volumes.

The commercial vehicle maintenance department has continued to grow and secured a significant retail contract with a blue chip client.

Over £2 million of fleet investment was made during the latter half of 2014 including the introduction of 15 low emission and fuel efficient Renault Euro6 tractor units. The full year effect of these new assets will benefit financial performance for the whole of the coming year.

Property

We are identifying signs of a continued upturn in the property market in most sectors with a particular increase in pre-let and refurbishment opportunities.

We retain a significant portion of land at Turbine Business Park in Sunderland and whilst there has been interest in the site from a potential occupier this has failed to progress further than obtaining a planning approval.

Brayford Partnership Limited completed a contract for the sale of land for the development of over 400 student accommodation rooms. It also sold the remaining land to the University of Lincoln.

We are continuing to promote Redhouse Projects Limited's remaining 17 acre distribution plot in Doncaster for either a pre-let or an outright sale. We believe that the warehouse market in this area will continue to improve as most Grade A surplus stock has now been taken up. In relation to the remaining 6 acre plot at Chase Park, we are hopeful of being able to exchange conditional contracts with a housing developer in the coming year.

Subsequent to the year-end, Barmston (Park Row) LLP disposed of its 26,000 sq ft prime office block in Leeds city centre which is currently let to the University of Law on a 15 year term.

The 20,000 sq ft vacant office building located close to junction 27 of the M62 we purchased last year has now been fully let on a 10 year lease and it has been added to the group investment portfolio.

PRINCIPAL RISKS AND UNCERTAINTIES

The group operates in a highly competitive market with supply generally exceeding demand and seeks to minimise this risk by focussing on niche markets and negotiated work, whilst extending the diversity of its activities.

Health and safety, quality of offering and service deliverability are key aspects for differentiating our businesses and these are closely monitored by the board of directors, with corrective action taken where required to maintain our reputation and standing in the industry.

The group has £16.1m of unencumbered net assets, with no bank borrowings and £24.0m of bank balances at the balance sheet date. Therefore, it is felt that the potential impact of risks is to shareholder value rather than to a funding risk.

SUSTAINABILITY

Whilst the ever evolving legislative and regulatory frameworks with respect to the environment, social values and health and safety continue to drive improvements on these fronts, our commitment and investment reaches beyond this.

Both our construction and logistics businesses have reviewed and updated their Environmental Management System (EMS), with our construction business achieving accreditation of compliance with ISO14001 from Lloyd's Register Quality Assurance (LRQA) for the first time. A significant level of training has been delivered across both businesses to improve the environmental knowledge of our people. We continue to work with the UK Contractors Group (UKCG) to improve the performance of the construction industry with respect to the efficient use of resources and the reduction of waste in all its forms.

As a family business we have always had a strong commitment to people and whilst the implementation of the Social Value Act has increased the requirement for a people focus in many businesses, we believe that it has enabled us to demonstrate the underlying values that we have always held.

Our construction business played an active part in the Open Doors programme as over 200 people visited several of our sites over a three day period. We have a particular focus on providing young people with the opportunity to explore the exciting careers available to them throughout the industry.

Whilst our employees are working well within their communities to increase our positive contribution to Education, Employment and Society as a whole, our team at the Leeds Energy from Waste scheme, in conjunction with our customer Veolia and Leeds City Council, is worthy of a specific mention.

Further evidence of our work in the community came at the Green Apple, Celebrating Construction, LABC Building Excellence and CIOB Awards with success in the Community and Sustainability categories.

We continue to focus our efforts on a limited number of charities, selected by our people, rather than leave our support to be provided in an ad hoc manner. Support was provided through various activities involving walking, riding and our Big Swim, which achieved an impressive 4,480 lengths (70 miles) of swimming from the 14 swimmers on the day.

We have always taken great pride in our health and safety performance, being able to boast best in class performance over many years. Once again, our Accident Frequency Rate (AFR) at 0.09, was well ahead of the construction industry benchmark.

2015 sees us, once again, shortlisted for the Construction News Safety Award. This is the third time in four years that we have made such a shortlist, which is an exceptional achievement.

The British Safety Council has awarded Clugston its International Safety Award with Merit and we were delighted that one of our construction business employees, Gary Parkinson, was chosen as Safety Worker of the Year for 2014 from a national field across all industries.

MAIN TRENDS AND FACTORS

Despite continued challenging conditions within the construction industry, we remain confident for the future with our strong forward order book, particularly in the energy from waste and education sectors. We will continue to develop our regional businesses and to expand our offering in the facilities management and refurbishment sectors.

We will maintain our commitment to providing a quality logistics service as we continue to expand our offering within the fuels, steel, bulk powder and bulk ash movement markets. We are also seeking to better utilise our resources to support our blue chip client base.

With regard to our property development activities, we expect to see pre-commitments increase and more opportunities to present themselves to expanding businesses such as ours. However, we are not seeking to develop speculatively any sites and we will continue to manage carefully developments either on our own or with likeminded joint venture partners.

In summary, our people's focus on delivering a safe and efficient high quality service from their continued hard work and commitment gives us confidence in our ability to continue delivering sustainable profits in the years ahead.

ON BEHALF OF THE BOARD:

S F Martin - Chief Executive

23 April 2015

Report of the Directors for the Year Ended 31 January 2015

The directors present their report with the financial statements of the company and the group for the year ended 31 January 2015.

DIVIDENDS
The group profit for the period was £2,790,000 (2014 - £4,605,000). A final dividend of 15p per share totalling £111,000 was paid on 4 July 2014 and an interim dividend of 10p per share totalling £74,000 was paid on 19 December 2014. The directors recommend the payment of a final dividend of 15p per share totalling £111,000, making a total for the year of 25p (2014 - 25p) payable on 3 July 2015.

REVIEW OF BUSINESS
The directors' review of the business and the principal risks are addressed in the Group Strategic Report.

DIRECTORS
The directors during the year ended 31 January 2015 were those listed on page 1, apart from Mr D W A Clugston, who was appointed on 1 April 2015.

In accordance with the articles of association, Mr D W A Clugston retires from the Board at the annual general meeting and, being eligible, offers himself for re-election. Messrs S J Radcliffe and A W Walker retire by rotation and, being eligible, offer themselves for re-election.

The company has professional indemnity insurance covering the directors and officers.

EMPLOYEES
Applications for employment received from disabled people, with appropriate qualifications and experience, are given full and fair consideration. Should employees suffer disabilities they will retain their jobs, wherever possible, or will be offered suitable alternative work if it is available.

It is appreciated that the success of any business is dependent upon the abilities and capabilities of its employees and our personnel are encouraged to acquire qualifications and skills for the mutual benefit of themselves and the group. It is also part of our objective for employees to attain professional, managerial and technical skills and this is encouraged through training courses.

Good communication at all levels is accepted as being an essential factor in relationships with our employees. This is achieved in a number of ways, including newsletters, electronic bulletin boards, notice boards as well as regular oral updates at team meetings.

CORPORATE GOVERNANCE
As a private limited company we are not under any obligation to comply with the Combined Code on Corporate Governance. However, the Board of Directors consider it appropriate to include in their report the following outline of internal financial control procedures.

Financial reporting
The group operates strict internal financial planning and reporting procedures including three-year plans, annual forecasts, monthly management accounts and a daily treasury function.

Control procedures
The group controls are exercised through an organisational structure with clearly defined levels of responsibility and authority and are laid down in policy documents covering finance, legal and general administration, health, safety and environmental matters, capital expenditure and employment requirements.

The group does not operate a system of internal audit but the Board is responsible for the operation and effectiveness of internal financial control systems. There are inherent limitations in any system of financial controls but the directors are of the opinion that it provides reasonable, but not absolute, assurance with regard to the preparation of financial information and the safeguarding of assets.

Report of the Directors
for the Year Ended 31 January 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors, the Strategic 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 the group and of the profit or loss of the group 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;
- state whether applicable 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the obligatory steps to become aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of BDO LLP as auditors of the Company.

APPROVED BY THE BOARD OF DIRECTORS:

M H Bales

M H Bales - Secretary

23 April 2015

Report of the Independent Auditors to the Members of Clugston Group Limited

We have audited the financial statements of Clugston Group Limited for the year ended 31 January 2015 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses 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 a Report of the Auditors 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 group's and of the parent company's affairs as at 31 January 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

BDO LLP

Paul Davies (Senior Statutory Auditor)
for and on behalf of BDO LLP
Leeds

23 April 2015

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

Clugston Group Limited (Registered number: 00333188)

Consolidated Profit and Loss Account for the Year Ended 31 January 2015

	Notes	2015 £'000	2014 £'000
TURNOVER			
Group and share of joint ventures		**252,900**	231,198
Less:			
Share of joint ventures' turnover		**(92,868)**	(80,961)
GROUP TURNOVER	2	**160,032**	150,237
Cost of sales		**(147,284)**	(134,261)
GROSS PROFIT		**12,748**	15,976
Administrative expenses		**(9,854)**	(9,549)
		2,894	6,427
Other operating income		**188**	-
OPERATING PROFIT	4	**3,082**	6,427
Share of operating results of joint ventures		**280**	93
Interest receivable and similar income		**389**	583
		3,751	7,103
Interest payable and similar charges	5	**(496)**	(808)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**3,255**	6,295
Tax on profit on ordinary activities	6	**(466)**	(1,687)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		**2,789**	4,608
Minority interest		**1**	(3)
RETAINED PROFIT FOR THE GROUP CARRIED FORWARD		**2,790**	4,605

CONTINUING OPERATIONS
All operations of the group are continuing.

The notes on pages 14 to 34 form part of these financial statements

Consolidated Statement of Total Recognised Gains and Losses for the Year Ended 31 January 2015

	2015 £'000	2014 £'000
PROFIT FOR THE FINANCIAL YEAR	**2,790**	4,605
Surplus on revaluation of properties	**2,049**	2,565
Actuarial loss recognised on pension scheme	**(9,271)**	(2,073)
Deferred tax thereon	**1,550**	218
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	**(2,882)**	5,315

Profit for the financial year includes a loss of £7,000 (2014 – £219,000) in respect of joint ventures.

Clugston Group Limited (Registered number: 00333188)

Consolidated Balance Sheet
31 January 2015

	Notes	2015 £'000	2014 £'000
FIXED ASSETS			
Tangible assets	9	**12,889**	9,846
Investments	10		
Interest in joint ventures			
Share of gross assets		**39,226**	34,308
Share of gross liabilities		**(31,219)**	(28,253)
		8,007	6,055
Other investments		**1,656**	3,279
		22,552	19,180
CURRENT ASSETS			
Stocks	11	**125**	156
Debtors: amounts falling due within one year	12	**15,793**	19,181
Debtors: amounts falling due after more than one year	12	**1,932**	3,800
Cash at bank and in hand		**24,031**	35,454
		41,881	58,591
CREDITORS			
Amounts falling due within one year	13	**(33,247)**	(50,212)
NET CURRENT ASSETS		**8,634**	8,379
TOTAL ASSETS LESS CURRENT LIABILITIES		**31,186**	27,559
CREDITORS			
Amounts falling due after more than one year	14	**(2,286)**	(1,792)
PENSION LIABILITY	20	**(12,714)**	(6,513)
MINORITY INTERESTS	17	**(44)**	(45)
NET ASSETS		**16,142**	19,209

The notes on pages 14 to 34 form part of these financial statements

Consolidated Balance Sheet - continued
31 January 2015

	Notes	2015 £'000	2014 £'000
CAPITAL AND RESERVES			
Called up share capital	18	**743**	743
Share premium	19	**285**	285
Revaluation reserve	19	**11,673**	9,875
Capital redemption reserve	19	**313**	313
Capital reserve	19	**35**	35
Profit and loss account	19	**3,093**	7,958
SHAREHOLDERS' FUNDS	23	**16,142**	19,209

The financial statements were approved by the Board of Directors on 23 April 2015 and were signed on its behalf by:

J W A Clugston - Chairman

S F Martin - Chief Executive

The notes on pages 14 to 34 form part of these financial statements

Clugston Group Limited (Registered number: 00333188)

Company Balance Sheet
31 January 2015

	Notes	2015 £'000	2014 £'000
FIXED ASSETS			
Tangible assets	9	**6,977**	5,510
Investments	10	**8,382**	8,732
		15,359	14,242
CURRENT ASSETS			
Debtors	12	**3,817**	5,796
Cash at bank		**23,850**	35,179
		27,667	40,975
CREDITORS			
Amounts falling due within one year	13	**(25,039)**	(17,292)
NET CURRENT ASSETS		**2,628**	23,683
TOTAL ASSETS LESS CURRENT LIABILITIES		**17,987**	37,925
CREDITORS			
Amounts falling due after more than one year	14	**-**	(23,867)
PENSION LIABILITY	20	**(12,714)**	(6,513)
NET ASSETS		**5,273**	7,545
CAPITAL AND RESERVES			
Called up share capital	18	**743**	743
Share premium	19	**285**	285
Revaluation reserve	19	**3,189**	3,124
Capital redemption reserve	19	**313**	313
Profit and loss account	19	**743**	3,080
SHAREHOLDERS' FUNDS	23	**5,273**	7,545

The financial statements were approved by the Board of Directors on 23 April 2015 and were signed on its behalf by:

J W A Clugston - Chairman

S F Martin - Chief Executive

The notes on pages 14 to 34 form part of these financial statements

Clugston Group Limited (Registered number: 00333188)

Consolidated Cash Flow Statement for the Year Ended 31 January 2015

	Notes	2015 £'000	2014 £'000
Net cash (outflow)/inflow from operating activities	24	**(10,819)**	8,190
Returns on investments and servicing of finance	25	**204**	1,193
Taxation		**(1,327)**	(14)
Capital expenditure and financial investment	25	**1,502**	740
Acquisitions and disposals	25	**-**	210
Equity dividends paid		**(185)**	(200)
		(10,625)	10,119
Management of liquid resources	25	**8,979**	(1,115)
Financing	25	**(798)**	(709)
(Decrease)/increase in cash in the period		**(2,444)**	8,295

	Notes	2015 £'000	2014 £'000
Reconciliation of net cash flow to movement in net funds	26		
(Decrease)/increase in cash in the period		**(2,444)**	8,295
Cash (inflow)/outflow from (decrease)/ increase in liquid resources		**(8,979)**	1,115
Cash outflow from decrease in debt and lease financing		**798**	709
Change in net funds resulting from cash flows		**(10,625)**	10,119
New HP contracts		**(1,543)**	(1,707)
Movement in net funds in the period		**(12,168)**	8,412
Net funds at 1 February		**33,029**	24,617
Net funds at 31 January		**20,861**	33,029

1. ACCOUNTING POLICIES

Basis of preparation
The accounts are prepared under the historical cost convention modified by the revaluation of certain freehold and leasehold property. The true and fair override provisions of the Companies Act 2006 have been invoked for investment properties (see below).

Basis of consolidation
The group accounts incorporate the accounts of the company and all its subsidiary undertakings drawn up to the last Saturday in January. The results of subsidiary undertakings acquired or disposed of during the period are included in the group profit and loss account from or up to the effective date of acquisition or disposal. Entities in which the group holds an interest on a long term basis and are jointly controlled by the group and one or more joint venturers under a contractual arrangement are treated as joint ventures. In the group accounts, joint ventures are accounted for using the gross equity method up to period ends no more than three months before the group's year end. Turnover from group companies to joint ventures is eliminated on consolidation. No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006.

Revenue recognition
With the exception of long term contracts, most revenue is recognised when the service has been completed. Long term contracts are valued at cost plus attributable profit less foreseeable losses and less amounts invoiced on account. Revenue is recognised in relation to the value of work carried out under the contract. Income from contract claims is not included in trading income until there is reasonable evidence that the claim will be settled. Development sales are recognised when the contract has completed and dividends receivable are recognised when the group's right to receive the payment is established.

Tangible fixed assets
Freehold land is not depreciated. Freehold buildings are carried in the balance sheet at existing use value with a full valuation every 5 years and an interim valuation in the third year of this cycle. The cost or valuation, less estimated residual value, of fixed assets is written off on a straight line basis over their expected useful lives as follows:

Freehold buildings	10 - 50 years
Plant, equipment and motor vehicles	2 - 15 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks
Stocks are valued at the lower of cost and estimated net realisable value.

Deferred tax
The charge for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date. The only exception is that deferred tax assets are recognised only to the extent that the directors consider it is more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates expected to apply in the periods in which the timing differences reverse, based on the tax rates and laws enacted, or substantively enacted, at the balance sheet date.

1. **ACCOUNTING POLICIES - continued**

Leased assets
Rentals in respect of operating leases are charged to the profit and loss account as incurred. Assets held under finance leases, where substantially all the risks and rewards of ownership have passed to the group, and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The capital elements of future obligations are included as liabilities in the balance sheet and the interest elements of the rentals are charged in the profit and loss account over the period of the contracts.

Investment property
Certain of the group's properties are held for long-term investment and are accounted for in accordance with SSAP 19. As such, they are revalued annually and no depreciation is provided in respect of leasehold investment properties where the lease has over 20 years to run. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the accounts to show a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

Investments
Investments are accounted for at the lower of cost and estimated net realisable value.

Trade debtors
Trade debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Liquid resources
For the purpose of the cash flow statement, liquid resources are defined as short term deposits.

Interest
Interest receivable and payable is accounted for when it is earned or incurred.

Retirement benefits
For defined contribution schemes the amount charged to the profit and loss account is the contributions payable in the year. Differences between this and the amount actually paid are shown as accruals or prepayments in the balance sheet.

For defined benefit schemes the amount charged to operating profit is the current service cost of providing the pension benefit and the full cost of providing amendments to those benefits in respect of past service. Interest includes the expected return on the market value of the pension scheme assets at the start of the year and a charge representing the expected increase in liabilities of the scheme during the year, arising from the liabilities being one year closer to payment. Differences arising from changes in assumptions and between actual and expected returns on assets during the year are included in the statement of recognised gains and losses. The surplus or deficit in the scheme is shown net of deferred tax in the balance sheet.

2. TURNOVER

	2015 £'000	2014 £'000
Turnover comprises the total value of work carried out, goods and services provided in the UK after deducting VAT and all inter-group transactions. Turnover can be analysed between the Group's operations as follows:		
Construction	143,313	136,739
Logistics	15,318	13,152
Property and other activities	1,401	346
	160,032	150,237

3. STAFF COSTS

	2015 £'000	2014 £'000
Staff costs		
Wages and salaries	22,608	18,510
Social security costs	2,390	1,964
Defined contribution pension scheme costs	835	588
	25,833	21,062

Average monthly number of employees during the year

	Number of employees	
Construction	402	370
Logistics	148	123
Management and administration	59	45
	609	538

	£'000	£'000
Directors' remuneration		
Aggregate remuneration	1,493	1,522
Payments to defined contribution pension schemes	72	120
	1,565	1,642
Highest paid director:		
Aggregate remuneration	469	472
Payments to defined contribution pension scheme	43	46
	512	518

	Number of directors	
Members of defined contribution pension schemes	3	3

4. OPERATING PROFIT

	2015 £'000	2014 £'000
Operating profit can be analysed between the Group's operations as follows:		
Construction	2,952	7,367
Logistics	(149)	(127)
Property activities and central costs	279	(813)
	3,082	6,427

	2015 £'000	2014 £'000
Operating profit is stated after charging/(crediting):		
Auditors' remuneration:		
- Audit of Group accounts	58	58
- Allocation of above for Parent Company accounts	23	23
- Tax services	11	18
Depreciation of tangible fixed assets:	1,244	1,007
Profit on disposal of fixed assets	(75)	(54)
Operating lease rentals:		
- Plant and machinery	10,960	7,073
- Land and buildings	216	86

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £'000	2014 £'000
Share of interest payable by joint ventures	234	226
Net pension finance cost	153	501
Hire purchase interest	109	81
	496	808

6. TAXATION

	2015	2014
	£'000	£'000
UK corporation tax		
UK corporation tax on the profits for the period	182	1,324
Adjustments in respect of previous periods	3	(8)
Share of tax charge in joint ventures	73	86
Total current tax charge	258	1,402
Deferred tax		
Originating and reversal of timing differences	502	238
Variations in tax rate	-	67
Adjustments in respect of previous periods	10	(20)
Total deferred tax charge	512	285
Tax charge on profit on ordinary activities	770	1,687

Factors affecting the tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK as follows:

	2015	2014
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.32% (2014 - 23.16%)	694	1,459
Disallowed expenses and non-taxable income	(208)	(74)
Accelerated capital allowances	(181)	(154)
Adjustments in respect of previous periods	3	(8)
Short term timing differences	(10)	111
Variations in tax rate	(5)	57
Brought forward tax losses utilised in the period	(46)	-
Tax losses not recognised in the period	11	11
Current tax charge for the period	258	1,402

Factors affecting the future tax charge

On 17 July 2013 a reduction in the UK corporation tax rate from 21% to 20% from 1 April 2015 was substantively enacted. Any deferred tax expected to reverse in future years has been assumed to reverse after 1 April 2015 and has therefore been calculated using this reduced rate.

7. PROFIT OF PARENT COMPANY

The profit for the period dealt with in the accounts of the company is £5,546,000 (2014 - £3,180,000).

8. DIVIDENDS

	2015	2014
	£'000	£'000
Ordinary shares of £1 each		
Final	111	126
Interim	74	74
	185	200

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £'000	Long leasehold property £'000	Plant and machinery £'000	Totals £'000
COST OR VALUATION				
At 1 February 2014	5,470	40	12,376	17,886
Additions	1,414	-	2,801	4,215
Disposals	-	-	(1,092)	(1,092)
Revaluations	81	8	-	89
At 31 January 2015	6,965	48	14,085	21,098
DEPRECIATION				
At 1 February 2014	-	-	8,040	8,040
Charge for year	39	-	1,205	1,244
Eliminated on disposal	-	-	(1,075)	(1,075)
At 31 January 2015	39	-	8,170	8,209
NET BOOK VALUE				
At 31 January 2015	6,926	48	5,915	12,889
At 31 January 2014	5,470	40	4,336	9,846

The net book amount of group plant and machinery above includes £3,807,000 (2014 - £2,868,000) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge for the year on these assets was £691,000 (2014 - £522,000).

Company

	Freehold property £'000	Long leasehold property £'000	Plant and machinery £'000	Totals £'000
COST OR VALUATION				
At 1 February 2014	5,470	40	235	5,745
Additions	1,414	-	3	1,417
Revaluations	81	8	-	89
At 31 January 2015	6,965	48	238	7,251
DEPRECIATION				
At 1 February 2014	-	-	235	235
Charge for year	39	-	-	39
At 31 January 2015	39	-	235	274
NET BOOK VALUE				
At 31 January 2015	6,926	48	3	6,977
At 31 January 2014	5,470	40	-	5,510

9. TANGIBLE FIXED ASSETS - continued

Company

Investment properties of the group and the company were valued on an open market value basis in accordance with the RICS Valuation - Professional Standards January 2014 on 31 January 2015 by an employee, who is a Chartered Surveyor. Other land and buildings were last revalued on 31 January 2014.

	Group		Company	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
If properties had not been revalued they would have been included as follows:				
Historical cost	3,930	2,516	4,651	3,237
Depreciation	1,818	1,722	867	851
Valuations at 31 January 2015 comprise:				
Freehold investment property	4,780	3,285	4,780	3,285
Long leasehold investment property	48	40	48	40
Other freehold property	2,185	2,185	2,185	2,185

10. FIXED ASSET INVESTMENTS

	Group		Company	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
Shares in group undertakings	-	-	**8,382**	8,732
Participating interests	**8,007**	6,055	-	-
Loans to joint ventures	**1,656**	3,279	-	-
	9,663	9,334	**8,382**	8,732

Additional information is as follows:

Group

	Interest in joint ventures £'000
COST	
At 1 February 2014	**6,055**
Additions	**1,959**
Share of profit/(loss)	**(7)**
At 31 January 2015	**8,007**
NET BOOK VALUE	
At 31 January 2015	**8,007**
At 31 January 2014	6,055

10. FIXED ASSET INVESTMENTS - continued

Group

Interest in joint ventures

The group's aggregate share of joint ventures at the year end is as follows:

	2015 £'000	2014 £'000
Share of assets		
Fixed assets	**13,604**	12,015
Current assets	**25,622**	22,293
Share of liabilities		
Share of liabilities due within one year	**(25,763)**	(22,523)
Share of liabilities due after one year or more	**(5,456)**	(5,730)
Share of net assets	**8,007**	6,055

Details of the group's share in significant joint ventures included above:	CNIM Clugston (Wilton) Limited 2015 £000	2014 £000
Turnover	**44,033**	-
Loss before tax	**(1)**	-
Taxation	**-**	-
Loss after tax	**(1)**	-
Current assets	**9,926**	1
Liabilities due within one year	**(9,926)**	-
Net assets	**-**	1

Principal joint ventures

Joint ventures	Activities	Accounting date
Barmston Developments Limited	Property development	31 December 2014
Barmston (Park Row) LLP	Property investment	31 January 2015
Brayford Partnership Limited	Property development	31 December 2014
Bretton Street Developments Limited	Property development	31 January 2015
Century Health (Nottingham) Limited	Facilities provider	31 December 2014
CNIM Clugston (Leeds) Limited	Turnkey design and construction	31 December 2014
CNIM Clugston (Lincolnshire) Limited	Turnkey design and construction	31 December 2014
CNIM Clugston Oxfordshire Limited	Turnkey design and construction	31 December 2014
CNIM Clugston (Ridham) Limited	Turnkey design and construction	31 December 2014
CNIM-Clugston Shropshire Limited	Turnkey design and construction	31 December 2014
CNIM-Clugston (Staffordshire) Limited	Turnkey design and construction	31 December 2014
CNIM Clugston (Wilton) Limited	Turnkey design and construction	31 December 2014
Redhouse Holdings Limited	Property development	31 January 2015

The group owns 50% of the ordinary share capital of all joint ventures apart from Century Health (Nottingham) Limited, of which it owns 40%.

10. FIXED ASSET INVESTMENTS - continued

Company

	Shares in group undertakings £'000
COST	
At 1 February 2014 and 31 January 2015	11,889
PROVISIONS	
At 1 February 2014	3,157
Provision for year	350
At 31 January 2015	3,507
NET BOOK VALUE	
At 31 January 2015	8,382
At 31 January 2014	8,732

Principal subsidiary undertakings (wholly-owned unless percentage shown)	**Activities**
CONSTRUCTION	
Clugston Construction Limited	Building and civil engineering contracting Facilities management Specialist civil engineering services
Engage North Lincolnshire Limited (60.8%)	Facilities services to the education sector
LOGISTICS	
Clugston Distribution Services Limited	Logistics services
PROPERTY	
Clugston Developments Limited	Property development (exempt from audit)
Clugston Estates Limited	Property development

Group

	Loans to joint ventures £'000
At 1 February 2014	3,279
New in year	2,459
Repayment in year	(4,082)
At 31 January 2015	1,656

11. STOCKS

	Group 2015 £'000	Group 2014 £'000
Stores and other stock	125	156

12. DEBTORS

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Amounts falling due within one year:				
Trade debtors	8,990	5,789	-	-
Amounts owed by group undertakings	-	-	3,732	3,826
Amounts owed by joint ventures	291	2,715	-	-
Amounts recoverable on contracts	5,788	9,363	-	-
Other debtors	-	110	-	108
Deferred tax asset	218	445	24	36
Prepayments and accrued income	506	759	61	234
	15,793	19,181	3,817	4,204
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	-	1,592
Other debtors	1,932	3,800	-	-
	1,932	3,800	-	1,592
Aggregate amounts	17,725	22,981	3,817	5,796

Deferred tax asset comprises:

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Accelerated capital allowances	195	369	7	9
Tax losses carried forward	4	47	-	-
Other timing differences	19	29	17	27
	218	445	24	36

Loss relief is only recognised to the extent it is more likely than not to be utilised in the foreseeable future.

Group other debtors due after more than one year are pledged as collateral for performance bonds.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
Hire purchase contracts (see note 15)	**884**	633	**-**	-
Trade creditors	**26,245**	25,844	**30**	9
Amounts received in advance	**491**	16,806	**-**	-
Amounts owed to group undertakings	**-**	-	**24,060**	15,969
Amounts owed to joint ventures	**703**	-	**-**	-
Corporation tax	**111**	1,324	**-**	-
Social security and other taxes	**683**	592	**75**	72
Other creditors	**2,173**	2,585	**145**	466
Accruals	**1,957**	2,428	**729**	776
	33,247	50,212	**25,039**	17,292

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
Hire purchase contracts (see note 15)	**2,286**	1,792	**-**	-
Amounts owed to group undertakings	**-**	-	**-**	23,867
	2,286	1,792	**-**	23,867

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2015	2014
	£'000	£'000
Net obligations repayable:		
Within one year	**884**	633
Between one and five years	**2,286**	1,792
	3,170	2,425

At 31 January 2015 the group had the following annual commitments under non-cancellable operating leases:

Group

	Land and buildings		Other operating leases	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
Expiring:				
Within one year	**4**	-	**209**	79
Between one and five years	**66**	92	**963**	503
	70	92	**1,172**	582

16. DEFERRED TAX

Group

	£'000
Balance at 1 February 2014	(445)
Provided during year	217
Relating to previous periods	10
Balance at 31 January 2015	(218)

Company

	£'000
Balance at 1 February 2014	(36)
Arising in the year	12
Balance at 31 January 2015	(24)

No deferred taxation has been recognised on the potential capital gain arising on the property revaluation as there is no intention to dispose of the properties in the foreseeable future. The estimated potential tax liability is £40,000 (2014 - £28,000).

17. MINORITY INTERESTS

The minority interests represent 24% of the ordinary shares of North Lincolnshire Learning Partnership (PSP) Limited and 20% of the ordinary shares of its subsidiary undertaking Engage North Lincolnshire Limited.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal value	2015 £'000	2014 £'000
742,893	Ordinary	£1	743	743

19. RESERVES

Group

	Profit and loss account £'000	Share premium £'000	Revaluation reserve £'000
At 1 February 2014	7,959	285	9,875
Profit for the year	2,790	-	-
Dividends	(185)	-	-
Transfer in respect of depreciation	251	-	(251)
Revaluation surplus	-	-	2,049
Actuarial loss recognised on pension scheme net of deferred tax	(7,722)	-	-
At 31 January 2015	3,093	285	11,673

Profit and loss account excluding pension liability	15,807
Pension deficit	(12,714)
Profit and loss account	3,093

Group

	Capital redemption reserve £'000	Capital reserve £'000	Totals £'000
At 1 February 2014	313	35	18,467
Profit for the year	-	-	2,790
Dividends	-	-	(185)
Revaluation surplus	-	-	2,049
Actuarial loss recognised on pension scheme net of deferred tax	-	-	(7,722)
At 31 January 2015	313	35	15,399

19. RESERVES - continued

Company

	Profit and loss account £'000	Share premium £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Totals £'000
At 1 February 2014	3,080	285	3,124	313	6,802
Profit for the year	5,546				5,546
Dividends	(185)				(185)
Transfer in respect of depreciation	24	-	(24)	-	-
Revaluation surplus	-	-	89	-	89
Actuarial loss recognised on pension scheme net of deferred tax	(7,722)	-	-	-	(7,722)
At 31 January 2015	743	285	3,189	313	4,530

Profit and loss account excluding pension liability	13,457
Pension deficit	(12,714)
Profit and loss account	743

The revaluation reserve of the group includes £3,434,000 (2014 - £1,385,000) relating to investment properties and that of the company includes £1,474,000 (2014 - £1,385,000).

Cumulative goodwill written off since February 1980, the earliest date from which figures are reasonably available, amounts to £2,505,000 (2014 - £2,505,000).

20. EMPLOYEE BENEFIT OBLIGATIONS

The group operates several pension schemes for eligible employees. The principal arrangement was a defined benefit pension scheme in the UK, which was closed to accrual on 31 December 2011. The disclosures below are based on calculations carried out as at 31 January 2015 by a qualified independent actuary.

The assets are held in a separate trustee-administered fund to meet long term pension liabilities to past and present employees. The trustees of the scheme are required to act in the best interests of the scheme's beneficiaries. The appointment of members of the trustee board is determined by the trust documentation.

The liabilities of the scheme are measured by discounting the best estimate of future cash flows to be paid out of the scheme using the projected unit method. This amount is reflected in the deficit in the balance sheet. The projected unit method is an accrued benefits valuation method in which the scheme's liabilities make allowance for projected earnings.

The liabilities set out in this note have been calculated based on the most recent actuarial valuation at 31 March 2012, updated to 31 January 2015. The results of the calculations and the assumptions adopted are shown below.

As at 31 January 2015 contributions are payable to the scheme at the rates set out in the latest schedule of contributions, dated 21 June 2013. The employer will pay shortfall contributions of £1,008,000 per annum, increasing by the increase in the Retail Prices Index for the year to May, on 1 July each year.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Present value of funded obligations	**(60,654)**	(47,877)
Fair value of plan assets	**44,762**	39,736
Deficit	**(15,892)**	(8,141)
Deferred tax asset	**3,178**	1,628
Net liability	**(12,714)**	(6,513)

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans 2015 £'000	2014 £'000
Interest cost	(2,064)	(2,092)
Expected return	1,911	1,591
	(153)	(501)
Actual return on plan assets	5,342	1,038

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans 2015 £'000	2014 £'000
Opening defined benefit obligation	47,877	45,669
Interest cost	2,064	2,092
Actuarial losses	12,702	1,520
Benefits paid	(1,989)	(1,404)
	60,654	47,877

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans 2015 £'000	2014 £'000
Opening fair value of scheme assets	39,736	39,113
Contributions by employer	1,673	989
Expected return	1,911	1,591
Actuarial gains/(losses)	3,431	(553)
Benefits paid	(1,989)	(1,404)
	44,762	39,736

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the statement of recognised gains and losses are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Actual less expected return on scheme assets	**3,431**	(553)
Other actuarial losses	**(12,702)**	(1,520)
	(9,271)	(2,073)
Cumulative amount of actuarial losses	**(23,080)**	(13,809)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2015	2014
Gilts	**18.10%**	15.60%
Corporate bonds	**20.30%**	18.50%
Property	**5.30%**	5.50%
Diversified growth funds	**55.30%**	58.40%
Cash	**1.00%**	2.00%
	100.00%	100.00%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate	**2.95%**	4.40%
Overall expected return on scheme assets	**3.07%**	4.83%
Future pension increases	**2.60%**	3.30%
RPI inflation	**2.85%**	3.30%
CPI inflation	**1.85%**	2.45%
Average life expectancy	**Years**	Years
Males aged 63 now	**23.2**	23.2
Males aged 63 in 20 years	**24.6**	24.5
Females aged 63 now	**25.5**	25.4
Females aged 63 in 20 years	**27.0**	27.0

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Amounts for the current and previous four periods are as follows:

	2015	2014	2013	2012	2011
	£'000	£'000	£'000	£'000	£'000
Defined benefit pension plans					
Defined benefit obligation	**(60,654)**	(47,877)	(45,669)	(41,634)	(38,312)
Fair value of scheme assets	**44,762**	39,736	39,113	36,785	33,834
Deficit	**(15,892)**	(8,141)	(6,556)	(4,849)	(4,478)
Experience gain/(loss) on scheme liabilities	**(12,702)**	(1,527)	(234)	624	9
Experience gain/(loss)on scheme assets	**3,431**	(553)	704	836	766

21. CAPITAL COMMITMENTS

	2015	2014
	£'000	£'000
Contracted but not provided for in the financial statements	**142**	2,811

22. RELATED PARTY DISCLOSURES

	2015	2014
	£'000	£'000
Management services provided to joint ventures	**1,505**	273
Construction services provided to joint ventures	**81,410**	77,562
Significant year end balances due from/(to) joint ventures		
Barmston Developments Limited	**963**	837
Barmston (Park Row) LLP	**(534)**	1,770
Brayford Partnership Limited	**(169)**	(18)
Century Health (Nottingham) Limited	**309**	365
CNIM Clugston (Lincolnshire) Limited	**240**	1,841
CNIM Clugston Oxfordshire Limited	**50**	16
CNIM Clugston Shropshire Limited	**-**	729
Redhouse Projects Limited	**471**	450
Dividends paid to directors on the same terms as other shareholders	**34**	36

The group provided construction services in the normal course of business of £48,000 (2014 - nil), of which £12,000 (2014 - nil) was outstanding at the year end, to Mr J W A Clugston, who is a director of the company.

The company has taken exemption under FRS 8 from disclosing transactions with the related parties it controls.

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2015 £'000	2014 £'000
Profit for the financial year	2,790	4,605
Dividends	(185)	(200)
	2,605	4,405
Other recognised gains and losses relating to the year (net)	(5,672)	710
Capital reserve arising on acquisition	-	35
Net (reduction)/addition to shareholders' funds	(3,067)	5,150
Opening shareholders' funds	19,209	14,059
Closing shareholders' funds	16,142	19,209

Company

	2015 £'000	2014 £'000
Profit for the financial year	5,546	3,180
Dividends	(185)	(200)
	5,361	2,980
Revaluation surplus	89	395
Actuarial loss on pension scheme	(7,722)	(1,855)
Net (reduction)/addition to shareholders' funds	(2,272)	1,520
Opening shareholders' funds	7,545	6,025
Closing shareholders' funds	5,273	7,545

24. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2015 £'000	2014 £'000
Operating profit	3,082	6,427
Depreciation charges	1,245	1,007
Profit on disposal of fixed assets	(75)	(54)
Management charges to joint ventures	(1,576)	-
Decrease in stocks	31	42
Decrease/(increase) in debtors	5,023	(5,398)
(Decrease)/increase in creditors	(16,876)	7,155
Difference between pension charge and cash contributions	(1,673)	(989)
Net cash (outflow)/inflow from operating activities	(10,819)	8,190

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015	2014
	£'000	£'000
Returns on investments and servicing of finance		
Interest received	313	474
Interest element of hire purchase payments	(109)	(81)
Dividends received	-	800
Net cash inflow for returns on investments and servicing of finance	204	1,193
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,672)	(326)
Payments to joint venture investments	-	(1,770)
Sale of tangible fixed assets	92	68
Receipts from investments	4,082	2,768
Net cash inflow for capital expenditure and financial investment	1,502	740
Acquisitions and disposals		
Cash effect of acquisition of subsidiary	-	210
Net cash inflow for acquisitions and disposals	-	210
Management of liquid resources		
Movement in short term deposits	8,979	(1,115)
Net cash inflow/(outflow) from management of liquid resources	8,979	(1,115)
Financing		
Capital repayments in year	(798)	(709)
Net cash outflow from financing	(798)	(709)

26. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/2/14 £'000	Cash flow £'000	Other non-cash changes £'000	At 31/1/15 £'000
Net cash:				
Cash at bank and in hand	35,454	(11,423)	-	24,031
Less: Deposits treated as liquid resources	(14,216)	8,979	-	(5,237)
	21,238	(2,444)	-	18,794
Liquid resources:				
Deposits included in cash	14,216	(8,979)	-	5,237
Debt:				
Hire purchase	(2,425)	798	(1,543)	(3,170)
Total	33,029	(10,625)	(1,543)	20,861