Registrar

COMPANY REGISTRATION NUMBER 00846751

A & E ELKINS LIMITED

FINANCIAL STATEMENTS

30 APRIL 2015

THURSDAY
L4ZL0BGH
LD4 28/01/2016 #17
COMPANIES HOUSE

TURPIN BARKER ARMSTRONG
Chartered Certified Accountants & Statutory Auditor
Allen House
1 Westmead Road
Sutton
Surrey
SM1 4LA

A & E ELKINS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2015

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A & E ELKINS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	G Smith R A Elkins
Company secretary	Glenis Smith
Registered office	A & E House Unit 1a Industrial Estate Juno Way London SE14 5RW
Auditor	Turpin Barker Armstrong Chartered Certified Accountants & Statutory Auditor Allen House 1 Westmead Road Sutton Surrey SM1 4LA

A & E ELKINS LIMITED

STRATEGIC REPORT

YEAR ENDED 30 APRIL 2015

Introduction

A premier Principal Contractor operating in London and the South East, A&E Elkins was formed in 1963, incorporated in 1965 and has been a family run company ever since. Now in its third generation, we still offer excellence in workmanship, service and value to our extensive portfolio of public and private sector clients. We run dedicated teams dealing with:

- All Decent Homes/ Warm Dry Safe Works;
- Interior refurbishment and decorations (kitchens, bathrooms, communal areas, etc.);
- Exterior refurbishment and decoration (windows, doors, concrete repairs);
- Electrical works (communal areas, lateral mains, landlords supplies);
- Fire precautions works (doors, sealing, compartmentation);
- Roofing works (tiles, slates, specialist built membranes); and
- Planned and reactive maintenance.

We are committed to legal compliance and quality standards. As such, we operate the following dedicated management policies, procedures and systems:

- Health and Safety (BS OHSAS 18001 accredited);
- Environmental Management (ISO 14001 accredited);
- Quality Assurance (ISO 9001 accredited); and
- Equal Opportunities and Diversity.

Accreditations

We maintain the following accreditations:

- BS OHSAS 18001;
- ISO 14001;
- ISO 9001;
- CHAS;
- Constructionline;
- Safecontractor;
- EXOR;
- A Member of the NFRC (National Federation of Roofing Contractors);
- Membership of MAC (Mastic Asphalt Council); and
- A Trust Mark Approved Contractor.

A & E ELKINS LIMITED

STRATEGIC REPORT

YEAR ENDED 30 APRIL 2015

Strategic Objectives and Targets

The Company aligns its targets, objectives and programmes with the contractual requirements and key performance indicators (KPIs) set by its clients to safeguard existing contracts, and with commonly occurring requirements in business development and procurement opportunities obtained from pre-qualification questionnaire literature. In addition to these external KPIs, we also set our own internal objectives, targets and programmes to foster continual improvement within work practices.

Our performance over the period has been consistently excellent and we continually strive to improve in all areas as best practice. For this reason, we operate an extensive knowledge management system which ensures that opportunities to learn from our own experience and the feedback of customers and other stakeholders are maximized. Furthermore, we take every opportunity to benchmark our performance against external standards and industry norms, including comparison with the other partnering contractors.

External/Client-Specific KPI Monitoring: Our performance of the partnering contract with one of our clients, a Local Authority ("the Authority"), is demonstrated below, together with the client's evaluation and any applicable benchmarking:

1. **Resident satisfaction** – we objectively determine the quality of communication, courtesy, consideration and success in meeting the expectations of tenants and leaseholders alike. The Authority reviews resident satisfaction forms ahead of quarterly meeting and evaluates against targets and minimum thresholds of 90% and 69% respectively. Our median average is 88-90%, with our most recent peaking at 94%. We have never fallen below the minimum threshold. This external performance monitoring and benchmarking links with our more inclusive, internal customer satisfaction process to meet our own ISO 9001 commitments;
2. **Authority satisfaction** – we are committed to ensuring the best levels of service and workmanship for the Authority. The Authority reviews completed satisfaction forms issued at the end of each project ahead of a quarterly meeting and evaluates against targets and minimum thresholds of 90% and 69% respectively. Our median average is 83%-87%, with some peaks and troughs due to our significant growth as back up contractor when another partner failed. Being flexible, learning quickly from constructive feedback provided by the Authority and benchmarking against larger competitors. This external performance monitoring and benchmarking covers internal project management monitoring, auditing and review processes, as well as additional external auditing by such organisations as the National Federation of Roofers, the Mastic Asphalt Council, Institution of Fire Engineers, etc.

3. **Time predictability (internals and externals)** – we are committed to delivering programme works quickly, reliably and to high quality. The Authority measures performance against 10/15 days for internal works and as per programme, with overruns deducting points. Authority targets include 100% on time, with minimum thresholds of 5 day maximum overruns for internals and 3 weeks maximum overruns for externals. Our median average is 95%, with some delays and overruns. These were primarily due to difficulties completing kitchens and bathrooms within 10 days where asbestos removal and plastering cause legitimate, inalterable time costs in internals; discrepancies in communications between client consultants and our quantity surveying team on isolated projects and insolvency of subcontractors. Again, being quick to identify, assess and tackle issues to best serve our client and continually improve, actions were taken to address these issues such as the review of maximum timescales for kitchens and bathrooms, increased investment and training in our knowledge management system and increasing redundancy in our supply chain. Consequently, our time predictability for both internal and external works have become exemplary.
4. **Local Employment and Training** –we are committed to giving back to the local areas in which we operate, particularly our home borough of Southwark. Given the condition of the economy since 2008, a key plank of our Corporate Social Responsibility strategy is giving young people the increasingly rare opportunity to learn a trade or profession. The Authority reviews a quarterly submission regarding personnel employed under the partnering contract either directly or through our supply chain against its criteria for apprenticeship against a target of 1 apprentice/ graduate per £1m of work awarded. Whilst the number of apprentices we employ varies throughout the 5 years of the partnering we have consistently met the Authority's requirements. In addition we exceed the basic terms of the KPI by participating in apprenticeship fayres, offering opportunities to older, unemployed persons re-entering work or re-skilling into a new trade/profession, and engaging part-time apprentices through schemes such as Evolve and Building Futures. We are committed to paying the London Living Wage.
5. **Value for Money** – we are committed to delivering quality works as efficiently and cost-effectively as possible.
6. **Cleaner, Greener, Safer** – ever increasing standards of health, safety and environmental protection and awareness are a core value to our business. The Authority requires FORS accreditation to bronze level to meet this KPI, which is reviewed annually. We were the first "partnering company" to successfully determine and implement the management changes necessary to meet this standard, and currently maintain it at bronze level. However, consideration is being given as to the value of proceeding to silver award status, as well as voluntarily pursuing the CLOCs scheme. These external standards also combine with our ISO 14001 and BS OHSAS 18001 accredited health, safety and environmental

management systems which are audited by a UKAS accredited organisation annually, and all elements of which audited regularly by our internal Compliance department.

7. **Considerate Constructors Scheme (CCS)** – a non-profit making, independent organisation founded in 1997 by the construction industry to improve its image. As a registered member we ensure that all proposed major projects are registered with this scheme. The Authority measures performance against a target score of 35 and above, with a minimum score of 24. Our median average is 35 and we have never fallen below the minimum score. We have initiatives to continue to drive up scores using best practices recommended from CCS, the Authority and trade journals.

8. **Contract management** – we manage our contracts to minimise default notices. The Authority measures performance against a target of 0 default notices, with a maximum number of 5 in any given year. Our median average is 1 per year, with each being fully investigated, remedial actions determined, followed up and reviewed thoroughly.

Internal KPI Performance Monitoring: Illustrative examples include:

- **Health, Safety and Environment** – zero RIDDORs; reduction of warnings given on site; speed of incident investigation, follow up and close out, competence standards, comparative site audit scores, no toolbox talks given, % reduction in land fill waste and energy consumption;
- **Quality** – number of snags, speed of snagging, workmanship, courtesy, professional manner, internal audit scores
- **Delivery** – right first time, delivery just in time, no programme delays, accuracy of programmes;
- **Financials** – speed of valuations, managing surveys and orders, accuracy of financial forecasting, speed of tenders;
- **Customer satisfaction** – customer satisfaction forms returned, customer satisfaction scores, no of complaints, speed of complaints resolution, value of compensation paid, number of commendations, staff courtesy;
- **Recruitment and Retention** – reputation as an employer, zero/minimal staff turnover; combined staff competence;
- **Equalities and Diversity** – promoting increased diversity in the 9 protected characteristics, effective monitoring;
- **Training and Development** – regular course attendance, continued competence standards;
- **Apprenticeships and Mentoring** – number of apprentices, final pass rates, mentor appraisal feedback,
- **Collaborative Working** – number of community initiatives, investment and outreach projects, charitable funds raised;

- **Team Cohesion and Morale** – number of team building exercises, number and quality of staff suggestions;
- **Procurement and Supply Chain** – number of non-attendances, number of delays, value for money, resilience of supply chain;
- **Business Development and Marketing** – opportunities vetted, stage one and two submission, success rate, tenders submitted, price competitiveness, market knowledge of brand, reputation as a Principal Contractor, industry awards (such as Gold standard in the National Federation of Roofing Contractors);
- **Accreditations and standards** – maintaining ISO 9001, ISO 14001, BS OHSAS 18001, Exor, FORS, NICEIC, PAS 2030 and IFC.

Business Development and Procurement

Business development and procurement is performed by a combined team, with functions distributed according to the nature of the opportunity.

For larger opportunities engaging the public procurement regulations in full force, a larger project team is assembled. Opportunity documentation is evaluated by the team once received, and appropriate responsibilities assigned. Regular project meetings are convened until the full submission is completed, polished and submitted.

Results from tender/PQQ processes are followed up by the team for review in order to tailor future submissions more effectively to client requirements. Should the company be successful in winning an opportunity, the appropriate contract management meetings will be convened to determine how best to proceed.

To best comply with the requirements of the CDM Regulations 2015, ISO 9001 and industry best practice, the company maintains an Approved Supplier List. These are evaluated by Constructionline on our behalf in line with PAS91 to best align with current procurement best practice.

Human Resources and Staffing

This function is performed by a combined team for payroll, recruitment and personnel matters. All relevant policies, procedures and handbooks are constantly reviewed. All pending changes in legislative requirements are identified through competent advisor services.

The company's staffing requirements have increased significantly during the year to approximately 65 employees including apprentices. Projections for the forthcoming year indicate staff requirements numbering up to 100.

Community and Charitable Initiatives

The company is heavily involved with giving extra value to the communities which it serves. On each project awarded by the Council, a budget is made available for investing in regeneration above and beyond what is specified by the Client; with emphasis placed on sustainable, enduring value for the community. We are particularly pleased to have helped in the refurbishment of the Surdoc Centre (now renamed the Elkins Day Care Centre) for Homes for Heroes.

Furthermore, we support numerous local charities through sponsored events and other fundraising, including:

- Sponsored walks and skydives for Freddie Farmer, Homes for Heroes, Scarlett's Fund;
- Sponsorship of the Peckham Price Basketball team to keep youths out of gangs;
- Annual summer fun day for social cohesion and to raise money (£15,000 this year);
- Coffee mornings for MacMillan cancer research; and
- Stoptober events for senior managers.

This report was approved by Ray Elkins on behalf of the Board of Directors of A&E Elkins Limited on the following date:

Signature: Date: 19-01-2016

A & E ELKINS LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2015

The directors present their report and the financial statements of the company for the year ended 30 April 2015.

RESULTS AND DIVIDENDS
The profit for the year, after taxation, amounted to £2,034,841. Particulars of dividends paid are detailed in note 8 to the financial statements.

DIRECTORS
The directors who served the company during the year were as follows:

G Smith
R A Elkins

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STRATEGIC REPORT

The directors have prepared a strategic report on pages 2 to 7.

AUDITOR

Turpin Barker Armstrong are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
A & E House
Unit 1a Industrial Estate
Juno Way
London
SE14 5RW

Signed by order of the directors

Glenis Smith
Company Secretary

Approved by the directors on 19/1/2016

A & E ELKINS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF A & E ELKINS LIMITED

YEAR ENDED 30 APRIL 2015

We have audited the financial statements of A & E Elkins Limited for the year ended 30 April 2015. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 8, 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 Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER 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.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

MARTIN C ARMSTRONG FCCA FABRP FIPA MBA (Senior Statutory Auditor)
For and on behalf of
TURPIN BARKER ARMSTRONG
Chartered Certified Accountants
& Statutory Auditor

Allen House
1 Westmead Road
Sutton
Surrey
SM1 4LA

27 January 2016

A & E ELKINS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 APRIL 2015

	Note	2015 £	2014 £
TURNOVER	**2**	**23,885,157**	18,274,755
Cost of sales		**19,872,407**	16,463,787
GROSS PROFIT		**4,012,750**	1,810,968
Administrative expenses		**1,409,984**	1,162,215
OPERATING PROFIT	**3**	**2,602,766**	648,753
Interest receivable		**1,704**	1,769
Interest payable and similar charges	**6**	**(24,739)**	(25,249)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**2,579,731**	625,273
Tax on profit on ordinary activities	**7**	**544,890**	137,276
PROFIT FOR THE FINANCIAL YEAR		**2,034,841**	487,997
Balance brought forward		**740,789**	506,292
Equity dividends paid (FRS 25)		**(820,500)**	(253,500)
Balance carried forward		**1,955,130**	740,789

All of the activities of the company are classed as continuing.

Statement of total recognised gains and losses
There are no recognised gains or losses other than the profit of £2,034,841 attributable to the shareholders for the year ended 30 April 2015 (2014 - profit of £487,997).

The notes on pages 16 to 26 form part of these financial statements.

A & E ELKINS LIMITED

BALANCE SHEET

30 APRIL 2015

	Note	2015 £	£	2014 £
FIXED ASSETS				
Tangible assets	9		176,611	135,302
CURRENT ASSETS				
Debtors	10	1,894,309		1,468,623
Cash at bank		5,235,770		4,245,663
		7,130,079		5,714,286
CREDITORS: Amounts falling due within one year	11	5,321,060		5,078,299
NET CURRENT ASSETS			1,809,019	635,987
TOTAL ASSETS LESS CURRENT LIABILITIES			1,985,630	771,289
CREDITORS: Amounts falling due after more than one year	12		500	500
			1,985,130	770,789
CAPITAL AND RESERVES				
Called up equity share capital	16		30,000	30,000
Profit and loss account			1,955,130	740,789
SHAREHOLDERS' FUNDS	17		1,985,130	770,789

The Balance sheet continues on the following page.

The notes on pages 16 to 26 form part of these financial statements.

A & E ELKINS LIMITED

BALANCE SHEET *(continued)*

30 APRIL 2015

These accounts were approved by the directors and authorised for issue on 19/1/2016, and are signed on their behalf by:

R A Elkins
Director

G Smith
Director

Company Registration Number: 00846751

The notes on pages 16 to 26 form part of these financial statements.

A & E ELKINS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30 APRIL 2015

	Note	2015 £	£	2014 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	**18**		**2,160,108**	3,599,305
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	**18**		**(23,035)**	(23,480)
TAXATION	**18**		**(137,276)**	(108,074)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	**18**		**(83,437)**	(65,470)
EQUITY DIVIDENDS PAID			**(820,500)**	(253,500)
CASH INFLOW BEFORE FINANCING			**1,095,860**	3,148,781
FINANCING	**18**		**(13,529)**	(16,537)
INCREASE IN CASH	**18**		**1,082,331**	3,132,244

A & E ELKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	15% Reducing balance
Fixtures & Fittings	-	15% Reducing balance
Motor Vehicles	-	25% Reducing balance
Equipment	-	25% Reducing balance
Leasehold Improvements	-	Straight Line over life of lease

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1. ACCOUNTING POLICIES *(continued)*

Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit and loss account. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is disposed of or until its value is impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit and loss account when the investment in derecognised, or impaired, as well as through the amortisation process.

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoices amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2015	2014
	£	£
United Kingdom	**23,885,157**	18,274,755

3. OPERATING PROFIT

Operating profit is stated after charging:

	2015	2014
	£	£
Depreciation of owned fixed assets	**42,128**	29,415
Auditor's remuneration		
- as auditor	**30,000**	20,000

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2015	2014
	No	No
Directors	**2**	2
Administrative staff	**8**	6
Direct staff	**43**	32
	53	40

The aggregate payroll costs of the above were:

	2015	2014
	£	£
Wages and salaries	**2,153,610**	1,569,306
Social security costs	**34,843**	30,858
Other pension costs	**2,918**	102,918
	2,191,371	1,703,082

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2015	2014
	£	£
Remuneration receivable	**150,000**	139,300
Value of company pension contributions to money purchase schemes	–	100,000
	150,000	239,300

The number of directors who accrued benefits under company pension schemes was as follows:

	2015	2014
	No	No
Money purchase schemes	**2**	2

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Interest payable on bank borrowing	**739**	1,249
Other similar charges payable	**24,000**	24,000
	24,739	25,249

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2015	2014
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20.92% (2014 - 22.83%)	**544,890**	137,276
Total current tax	**544,890**	137,276

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20.92% (2014 - 22.83%).

	2015	2014
	£	£
Profit on ordinary activities before taxation	**2,579,731**	625,273
Profit on ordinary activities by rate of tax	**539,680**	142,750
Expenses not deductible for tax purposes	**8,967**	9,423
Capital allowances for period in excess of depreciation	**(3,701)**	(8,752)
Tax chargeable at lower rates	**-**	(6,180)
Rounding on tax charge	**(56)**	35
Total current tax (note 7(a))	**544,890**	137,276

8. DIVIDENDS

Equity dividends

	2015	2014
	£	£
Paid during the year		
Equity dividends on ordinary shares	**820,500**	253,500

Dividends on shares classed as financial liabilities

	2015	2014
	£	£
Paid during the year		
Dividends on shares classed as financial liabilities	**24,000**	24,000

9. TANGIBLE ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	L'hold Improvements £	Total £
COST						
At 1 May 2014	**87,202**	**12,184**	**103,540**	**48,122**	**43,963**	**295,011**
Additions	**940**	**22,223**	**31,159**	**19,637**	**9,478**	**83,437**
At 30 Apr 2015	**88,142**	**34,407**	**134,699**	**67,759**	**53,441**	**378,448**
DEPRECIATION						
At 1 May 2014	**80,046**	**6,442**	**45,525**	**16,821**	**10,875**	**159,709**
Charge for the year	**1,214**	**4,195**	**19,367**	**12,735**	**4,617**	**42,128**
At 30 Apr 2015	**81,260**	**10,637**	**64,892**	**29,556**	**15,492**	**201,837**
NET BOOK VALUE						
At 30 Apr 2015	**6,882**	**23,770**	**69,807**	**38,203**	**37,949**	**176,611**
At 30 Apr 2014	7,156	5,742	58,015	31,301	33,088	135,302

10. DEBTORS

	2015 £	2014 £
Trade debtors	**948,455**	1,082,655
Other debtors	**15,888**	16,144
Prepayments and accrued income	**929,966**	369,824
	1,894,309	1,468,623

11. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Bank loans and overdrafts	–	105,753
Trade creditors	**1,302,783**	2,024,987
Other creditors including taxation and social security:		
Corporation tax	**544,890**	137,276
Other taxation and social security	**551,799**	435,391
Other creditors	**25,087**	23,842
Directors current accounts	**204,228**	1,542
Directors current accounts	**125,998**	9,324
	2,754,785	2,738,115
Accruals and deferred income	**2,566,275**	2,340,184
	5,321,060	5,078,299

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2015	2014
	£	£
Bank loans and overdrafts	–	105,753

12. CREDITORS: Amounts falling due after more than one year

	2015	2014
	£	£
Other creditors:		
Shares classed as financial liabilities	**500**	500

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

(c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Liquidity risk

The company monitors and manages its cash holdings carefully to ensure that it maintains sufficient funds for its ongoing working capital requirements.

14. COMMITMENTS UNDER OPERATING LEASES

At 30 April 2015 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2015	2014
	£	£
Operating leases which expire:		
After more than 5 years	**35,000**	35,000

15. RELATED PARTY TRANSACTIONS

The company was under the control of Mr R A Elkins throughout the current and previous year. Mr R A Elkins is the managing director and majority shareholder.

As at 30th April 2015 R A Elkins, a director, was owed £204,228 by the company (2014 - £1,542) and G Smith, a director, was owed £125,998 by the company (2014 - £9,324). During the year R A Elkins and G Smith received dividends of £547,000 (2014 - £169,000) and £273,500 (2014 - £84,500) respectively.

The bank overdraft facility of £50,000, the bank loan and the Business Master facility of £100,000 are secured by joint and several guarantees from R A Elkins and G Smith for £75,000 registered 11th September 2000 and £25,000 registered 1st October 2003.

16. SHARE CAPITAL

Authorised share capital:

	2015	2014
	£	£
30,000 Ordinary shares of £1 each	**30,000**	30,000
500 Preference shares of £1 each	**500**	500
	30,500	30,500

16. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	**30,000**	**30,000**	30,000	30,000
Preference shares of £1 each	**500**	**500**	500	500
	30,500	**30,500**	30,500	30,500

	2015	2014
	£	£
Amounts presented in equity:		
30,000 Ordinary shares of £1 each	**30,000**	30,000
Amounts presented in liabilities:		
500 Preference shares of £1 each	**500**	500

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015	2014
	£	£
Profit for the financial year	**2,034,841**	487,997
Equity dividends	**(820,500)**	(253,500)
Net addition to shareholders' funds	**1,214,341**	234,497
Opening shareholders' funds	**770,789**	536,292
Closing shareholders' funds	**1,985,130**	770,789

18. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Operating profit	**2,602,766**	648,753
Depreciation	**42,128**	29,415
Increase in debtors	**(425,686)**	(245,591)
(Decrease)/increase in creditors	**(59,100)**	3,166,728
Net cash inflow from operating activities	**2,160,108**	3,599,305

18. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2015	2014
	£	£
Interest received	**1,704**	1,769
Interest paid	**(739)**	(1,249)
Dividends on shares classed as financial liabilities	**(24,000)**	(24,000)
Net cash outflow from returns on investments and servicing of finance	**(23,035)**	(23,480)

TAXATION

	2015	2014
	£	£
Taxation	**(137,276)**	(108,074)

CAPITAL EXPENDITURE

	2015	2014
	£	£
Payments to acquire tangible fixed assets	**(83,437)**	(65,470)
Net cash outflow from capital expenditure	**(83,437)**	(65,470)

FINANCING

	2015	2014
	£	£
Repayment of bank loans	**(13,529)**	(16,537)
Net cash outflow from financing	**(13,529)**	(16,537)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2015		2014
	£	£	£
Increase in cash in the period	**1,082,331**		3,132,244
Net cash outflow from bank loans	**13,529**		16,537
		1,095,860	3,148,781
Change in net funds		**1,095,860**	3,148,781
Net funds at 1 May 2014		**4,139,410**	990,629
Net funds at 30 April 2015		**5,235,270**	4,139,410

18. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 May 2014 £	Cash flows £	At 30 Apr 2015 £
Net cash:			
Cash in hand and at bank	4,245,663	990,107	5,235,770
Overdrafts	(92,224)	92,224	–
	4,153,439	1,082,331	5,235,770
Debt:			
Debt due within 1 year	(13,529)	13,529	–
Debt due after 1 year	(500)	–	(500)
	(14,029)	13,529	(500)
Net funds	4,139,410	1,095,860	5,235,270