

Company Registration No. 00875221 (England and Wales)

CASTACRETE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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CASTACRETE LIMITED

COMPANY INFORMATION

Directors	T A Smallman R M Smallman
Secretary	S J King
Company number	00875221
Registered office	Stone House Dean Street East Farleigh Kent ME15 0PW
Auditor	Wilkins Kennedy LLP Globe House, Eclipse Park Sittingbourne Road Maidstone Kent ME14 3EN

CASTACRETE LIMITED

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CASTACRETE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

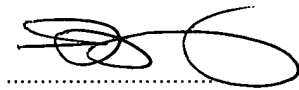
Principal risks and uncertainties

Management continually monitor the key risks facing the company, together with assessing the controls used for managing these risks.

The principal risks and uncertainties facing the company are as follows:

- Economic - the company acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify the early signs of potential financial difficulties. Sales trends in its major markets are constantly reviewed to enable early action to be taken in the event of sales declining.
- Competitor pressure - the market in which the company operates is considered to be highly competitive, and therefore competitor pressure could result in losing sales to key competitors. The company manages this risk by providing quality products (both retail and trade) and maintaining strong relationships with its key trade customers.
- Reliance on key suppliers - the company's purchasing activities could expose it to over reliance on certain suppliers and inflationary pricing pressures. The company manages this risk by ensuring there is enough breadth in its supplier base and by constantly seeking to find potential alternative suppliers that may be used, if necessary.
- Loss of key personnel - this could present significant operational difficulties for the company. Management seek to ensure that key personnel are appropriately remunerated and that good performance is recognised.

By order of the board



S J King

Secretary

28/03/2018

CASTACRETE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activities of the company are the manufacture of concrete products and the sale of concrete and stone paving and similar products.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

T A Smallman

G J Sargent

R M Smallman

(Resigned 18 July 2018)

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors recommend payment of a final dividend amounting to £4,950.

Financial instruments

Principal financial instruments

The company's principal financial instruments comprise bank loans, overdrafts, hire purchase and loans from shareholders. The main purpose of these instruments is to raise funds for and to finance the company's operations. Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

Liquidity risk

In respect of the bank balances the liquidity risk is managed by transferring funds between the accounts of the company to obtain the maximum rate of interest, whilst not impacting on the immediate financial needs of the company.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Future developments

As indicated in note 31 the company acquired further land during 2018. The total purchase price of the land acquired was £950,000.

Auditor

The auditor, Wilkins Kennedy LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

CASTACRETE LIMITED

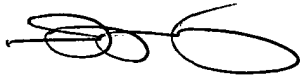
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



.....
S J King

Secretary

.....25/08/2018

CASTACRETE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

CASTACRETE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CASTACRETE LIMITED

Opinion

We have audited the financial statements of Castacrete Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

CASTACRETE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CASTACRETE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

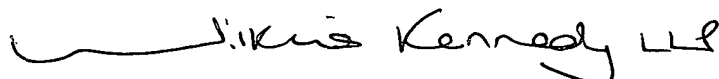
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Daniel Graves BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP

29/08/2018

Chartered Accountants
Statutory Auditor

Globe House, Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN

CASTACRETE LIMITED**STATEMENT OF TOTAL COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
Turnover	3	25,199,222	21,093,881
Cost of sales		(16,017,086)	(12,691,084)
Gross profit		9,182,136	8,402,797
Selling and distribution costs		(3,875,212)	(3,376,487)
Administrative expenses		(2,265,626)	(2,240,884)
Operating profit	4	3,041,298	2,785,426
Rent receivable		102,092	114,097
Interest receivable and similar income	7	651	3,271
Interest payable and similar expenses	9	(169,927)	(172,038)
Fair value adjustment	8	161,805	405,316
Profit before taxation		3,135,919	3,136,072
Taxation	10	(569,978)	(585,041)
Profit for the financial year		2,565,941	2,551,031
Other comprehensive income			
Tax relating to other comprehensive income		10,890	32,734
Total comprehensive income for the year		2,576,831	2,583,765

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.


CASTACRETE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11	21,393,557		18,568,166	
Investment properties	12	1,650,000		1,150,000	
Investments	13	26,350		26,350	
		<u>23,069,907</u>		<u>19,744,516</u>	
Current assets					
Stocks	16	7,835,451		5,530,984	
Debtors	17	2,263,685		1,542,530	
Cash at bank and in hand		1,771,333		2,203,234	
		<u>11,870,469</u>		<u>9,276,748</u>	
Creditors: amounts falling due within one year	18	<u>(9,022,402)</u>		<u>(8,563,797)</u>	
Net current assets		<u>2,848,067</u>		<u>712,951</u>	
Total assets less current liabilities		<u>25,917,974</u>		<u>20,457,467</u>	
Creditors: amounts falling due after more than one year	19	(4,385,746)		(1,535,992)	
Provisions for liabilities	22	(936,056)		(902,134)	
Net assets		<u>20,596,172</u>		<u>18,019,341</u>	
Capital and reserves					
Called up share capital	25	99,000		99,000	
Revaluation reserve		1,373,361		1,362,471	
Capital redemption reserve		1,000		1,000	
Profit and loss reserves		19,122,811		16,556,870	
Total equity		<u>20,596,172</u>		<u>18,019,341</u>	

The financial statements were approved by the board of directors and authorised for issue on 28/08/2018 and are signed on its behalf by:


T A Smallman
Director

Company Registration No. 00875221

CASTACRETE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2016	99,000	1,329,737	1,000	14,005,839	15,435,576
Year ended 31 December 2016:					
Profit for the year	-	-	-	2,551,031	2,551,031
Other comprehensive income:					
Tax relating to other comprehensive income	-	32,734	-	-	32,734
Total comprehensive income for the year	-	32,734	-	2,551,031	2,583,765
Balance at 31 December 2016	99,000	1,362,471	1,000	16,556,870	18,019,341
Year ended 31 December 2017:					
Profit for the year	-	-	-	2,565,941	2,565,941
Other comprehensive income:					
Tax relating to other comprehensive income	-	10,890	-	-	10,890
Total comprehensive income for the year	-	10,890	-	2,565,941	2,576,831
Balance at 31 December 2017	99,000	1,373,361	1,000	19,122,811	20,596,172

CASTACRETE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	30	3,413,522		3,845,431	
Interest paid		(169,927)		(172,038)	
Income taxes paid		(841,528)		(161,746)	
Net cash inflow from operating activities		<u>2,402,067</u>		<u>3,511,647</u>	
Investing activities					
Purchase of tangible fixed assets		(2,980,226)		(719,902)	
Proceeds on disposal of tangible fixed assets		38,750		3,000	
Interest received		651		3,271	
Net cash used in investing activities		<u>(2,940,825)</u>		<u>(713,631)</u>	
Financing activities					
Increase in borrowings		(5,022)		151,747	
Proceeds of new bank loans		1,085,000		375,000	
Repayment of bank loans		(110,000)		(150,000)	
Repayment of finance leases obligations		(724,596)		(555,179)	
Net cash generated from/(used in) financing activities		<u>245,382</u>		<u>(178,432)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(293,376)</u>		<u>2,619,584</u>	
Cash and cash equivalents at beginning of year		1,983,839		(635,745)	
Cash and cash equivalents at end of year		<u>1,690,463</u>		<u>1,983,839</u>	
Relating to:					
Cash at bank and in hand		1,771,333		2,203,234	
Bank overdrafts included in creditors payable within one year		<u>(80,870)</u>		<u>(219,395)</u>	

CASTACRETE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Castacrete Limited is a private company limited by shares incorporated in England and Wales. The registered office and head office is Stone House, Dean Street, East Farleigh, Kent, ME15 0PW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption provided by section 405 of the Companies Act 2006 not to prepare group accounts on the grounds that its subsidiaries, which are all dormant, are immaterial. These accounts give information about the company as an individual undertaking and not about the group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax. Invoices are issued once goods have been delivered and the company has a right to consideration. Turnover derives from one class of business, being the manufacture of concrete products and the sale of concrete and stone paving and similar products.

1.4 Tangible fixed assets

Tangible fixed assets, other than freehold investment properties, are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Freehold land and buildings (other than investment properties) are included at their valuation as at 31 December 2013, plus subsequent additions at cost, less depreciation and any impairment losses. The valuations at 31 December 2013 are treated as deemed cost in accordance with the provisions of Section 35.10 (d) of FRS 102.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	2% (until 1 October 2015 1%) on cost or valuation
Short term leasehold improvements	5% / 10% on cost or valuation
Plant and equipment	5% / 10% on cost
Fixtures and fittings	5% / 10% on cost
Computer equipment	25% on cost
Motor vehicles	12.5% / 20% on cost, £10k residual value for lorries

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

CASTACRETE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured using the fair value model and stated at their fair values at the reporting date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.8 Stocks

Stock and work in progress is valued at the lower of cost and net realisable value.

In the case of raw materials and consumable stores, cost means purchase price including transport and handling costs, less trade discounts, calculated on a first in first out basis. In the case of finished goods, cost comprises direct materials, direct labour and attributable production and other overheads.

Net realisable value means estimated selling price (less trade discounts) less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

Moulds are depreciated over 3 or 6 years on a straight line basis.

1.9 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CASTACRETE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.10 Financial instruments

The company applies the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments, which are classified as basic.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Basic financial liabilities, including trade and other payables that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

CASTACRETE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

CASTACRETE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are not retranslated at the rates prevailing on the reporting end date on the basis that such adjustments would be highly immaterial. Gains and losses arising on translation are included in the profit and loss account for the period.

1.17 Pension scheme

The company operates money purchase (defined contribution) pension schemes. Contributions payable to these schemes are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

CASTACRETE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairments of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no material indicators of impairments identified during the current financial year other than in respect of bad and doubtful trade debtor balances recognised in the financial statements.

Determining residual values and useful economic lives of property, plant and equipment

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Estimating value in use

Where an indication of impairment exists the directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

3 Turnover and other revenue

The company's turnover relates solely to its principal activity and arises in the United Kingdom.

CASTACRETE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****4 Operating profit**

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Research and development costs	-	50,097
Fees payable to the company's auditors for the audit of the company's financial statements	25,300	27,036
Fees payable to the company's auditors for non-audit services	9,225	8,104
Depreciation of owned tangible fixed assets	712,781	772,691
Depreciation of tangible fixed assets held under finance leases	272,522	145,000
Profit on disposal of tangible fixed assets	(34,335)	(1,975)
Cost of stocks recognised as an expense - includes pallets	13,385,092	10,232,567
Operating lease charges	203,893	206,578
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017	2016
	Number	Number
Sales, distribution and administration	32	35
Manufacturing	79	73
Directors	3	3
	<u> </u>	<u> </u>
	114	111
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	3,629,662	3,263,822
Social security costs	381,811	323,614
Pension costs	80,601	70,533
	<u> </u>	<u> </u>
	4,092,074	3,657,969
	<u> </u>	<u> </u>

6 Directors' remuneration

	2017	2016
	£	£
Remuneration for qualifying services	200,627	162,673
Company pension contributions to defined contribution schemes	1,739	1,307
	<u> </u>	<u> </u>
	202,366	163,980
	<u> </u>	<u> </u>

CASTACRETE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****6 Directors' remuneration****(Continued)**

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2016 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2017	2016
	£	£
Remuneration for qualifying services	194,372	150,135
Company pension contributions to defined contribution schemes	1,739	1,307
	<u>196,111</u>	<u>151,442</u>
7 Interest receivable and similar income		
	2017	2016
	£	£
Interest income		
Interest on bank deposits	651	3,271
	<u>651</u>	<u>3,271</u>
8 Fair value adjustment		
	2017	2016
	£	£
Changes in the fair value of investment properties	161,805	405,316
	<u>161,805</u>	<u>405,316</u>
9 Interest payable and similar expenses		
	2017	2016
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	94,868	99,965
Interest on finance leases and hire purchase contracts	74,528	71,660
Other interest	531	413
	<u>169,927</u>	<u>172,038</u>

CASTACRETE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****10 Taxation**

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	536,043	554,204
Adjustments in respect of prior periods	(10,877)	(16,074)
Total current tax	<u>525,166</u>	<u>538,130</u>
Deferred tax		
Origination and reversal of timing differences	<u>44,812</u>	<u>46,911</u>
Total tax charge	<u>569,978</u>	<u>585,041</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	<u>3,135,919</u>	<u>3,136,072</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	603,557	627,214
Tax effect of expenses that are not deductible in determining taxable profit	2,966	2,297
Tax effect of income not taxable in determining taxable profit	(31,142)	(81,063)
Adjustments in respect of prior years	(10,877)	(16,074)
Adjust deferred tax to average rate	(9,575)	37,877
Fixed asset differences	<u>15,049</u>	<u>14,790</u>
Tax expense for the year	<u>569,978</u>	<u>585,041</u>

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2017 £	2016 £
Deferred tax arising on:		
Revaluation of property	<u>(10,890)</u>	<u>(32,734)</u>

CASTACRETE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11 Tangible fixed assets

	Land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2017	12,156,768	11,325,008	1,887,984	511,792	25,881,552
Additions	1,739,467	945,020	115,232	1,353,585	4,153,304
Disposals	-	(579,055)	(257,926)	(201,906)	(1,038,887)
Reclassification	(363,000)	-	-	-	(363,000)
At 31 December 2017	13,533,235	11,690,973	1,745,290	1,663,471	28,632,969
Depreciation and impairment					
At 1 January 2017	298,283	5,403,887	1,232,212	379,004	7,313,386
Depreciation charged in the year	140,504	506,482	156,373	181,944	985,303
Eliminated in respect of disposals	-	(579,055)	(256,148)	(199,269)	(1,034,472)
Transfer to investment property	(24,805)	-	-	-	(24,805)
At 31 December 2017	413,982	5,331,314	1,132,437	361,679	7,239,412
Carrying amount					
At 31 December 2017	13,119,253	6,359,659	612,853	1,301,792	21,393,557
At 31 December 2016	11,858,485	5,921,121	655,772	132,788	18,568,166

The carrying value of land and buildings comprises:

	2017 £	2016 £
Freehold	13,442,737	11,840,282
Short leasehold	14,711	18,203
	<u>13,457,448</u>	<u>11,858,485</u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Plant and equipment	<u>3,655,235</u>	<u>2,597,917</u>

The freehold land and buildings were revalued as at 31 December 2013 by Sibley Pares Limited, Chartered Surveyors, on the basis of the open market value for existing use. For property owned at 31 December 2013 the values at that date are treated as deemed cost in accordance with the provisions of Section 35.10 (d) of FRS 102. Subsequent additions are included at cost.

CASTACRETE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****11 Tangible fixed assets****(Continued)**

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017	2016
	£	£
Cost	12,148,501	10,889,034
Accumulated depreciation	705,664	568,652
Carrying value	<u>11,442,837</u>	<u>10,320,382</u>

The net book value of fixed assets includes payments for assets in the course of construction as follows:

	Land and buildings	Plant and Machinery	Fixtures and Fittings	Total
Net book value				
As at 31 December 2017	22,285	738,305	-	760,590
As at 31 December 2016	-	430,274	1,778	432,052

12 Investment property

	2017
	£
Fair value	
At 1 January 2017	1,150,000
Transfers from owner-occupied property	338,195
Net gains or losses through fair value adjustments	161,805
At 31 December 2017	<u>1,650,000</u>

The fair value of the investment property comprises £300,000 arrived at on the basis of a valuation carried out at 31 December 2013 by independent valuers, Sibley Pares Limited, Chartered Surveyors and £850,000 in respect of a property valued by the directors as at 31 December 2017. The Sibley Pares Limited valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties and in the opinion of the directors there has been no material change in the value of that investment property in the period to 31 December 2017. The directors' valuation was on the basis of recent indicative offers received for the property in question.

Additionally, during 2017, a 10 year rental term commenced on a property owned by the Company, and so the carrying value at the date of transfer of £338,195 was reclassified to investment property. The fair value of this property is estimated by the directors as at 31 December 2017 to be £500,000, arrived at on the basis of rentals received in respect of this property. In the opinion of the directors there has been no material change in the value of this investment property in the period to 31 December 2017.

CASTACRETE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

12 Investment property (Continued)

If investment property was stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2017 £	2016 £
Cost	690,140	210,140
Accumulated depreciation	-	-
Carrying amount	<u>690,140</u>	<u>210,140</u>

13 Fixed asset investments

	Notes	2017 £	2016 £
Investments in subsidiaries	14	<u>26,350</u>	<u>26,350</u>

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2017 & 31 December 2017	<u>411,433</u>
Impairment	
At 1 January 2017 & 31 December 2017	<u>(385,083)</u>
Carrying amount	
At 31 December 2017	<u>26,350</u>
At 31 December 2016	<u>26,350</u>

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Mogul Stone Limited	England and Wales	Dormant	Ordinary	100
The Alexandra Stone Company Limited	England and Wales	Dormant	Ordinary	100

CASTACRETE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****15 Financial instruments**

	2017	2016
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,809,396	1,381,525
Equity instruments measured at cost less impairment	26,350	26,350
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	12,940,966	9,265,779
	<u> </u>	<u> </u>

16 Stocks

	2017	2016
	£	£
Raw materials and consumables	266,225	290,699
Pallets and mould stocks	439,314	362,483
Finished goods and goods for resale	7,129,912	4,877,802
	<u> </u>	<u> </u>
	7,835,451	5,530,984
	<u> </u>	<u> </u>

There were no significant differences between the replacement costs and the values above except for pallets, which have been depreciated over 4 to 8 years on a straight line basis and for mould stocks, which have been depreciated over 1 to 6 years on a straight line basis.

17 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	1,655,292	1,347,937
Other debtors	280,708	15,216
Prepayments and accrued income	299,213	161,005
	<u> </u>	<u> </u>
	2,235,213	1,524,158
	<u> </u>	<u> </u>
	2017	2016
	£	£
Amounts falling due after more than one year:		
Other debtors	28,472	18,372
	<u> </u>	<u> </u>
Total debtors	<u>2,263,685</u>	<u>1,542,530</u>

CASTACRETE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

18 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Loans and overdrafts	20	1,798,464	3,599,678
Obligations under finance leases	21	788,942	557,547
Trade creditors		5,044,148	2,721,639
Amounts due to group undertakings		26,351	26,351
Corporation tax		220,043	536,405
Other taxation and social security		247,139	297,605
Other creditors		72,099	33,632
Accruals and deferred income		825,216	790,940
		<u>9,022,402</u>	<u>8,563,797</u>

19 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Loans and overdrafts	20	2,632,667	-
Obligations under finance leases	21	1,753,079	1,535,992
		<u>4,385,746</u>	<u>1,535,992</u>

20 Loans and overdrafts

	2017 £	2016 £
FURBS loan	1,103,631	1,103,631
Bank loans	2,825,000	1,850,000
Bank overdrafts	80,870	219,395
Directors' loans	421,630	426,652
	<u>4,431,131</u>	<u>3,599,678</u>
Payable within one year	1,798,464	3,599,678
Payable after one year	<u>2,632,667</u>	<u>-</u>

CASTACRETE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****20 Loans and overdrafts****(Continued)**

One bank loan was repayable by quarterly instalments of £62,500, with a final instalment on 10 January 2017. The loan bore interest at 2% pa over LIBOR. Following the refinancing of the loan on 25 May 2017, the bank loan is now repayable by quarterly instalments of £30,000, with a final instalment on 31 May 2022. The loan now bears interest at 2% pa over LIBOR.

An additional bank loan in the sum of £1,085,000 was taken out on 16 May 2017. This loan is repayable by quarterly instalments of £18,083, with a final instalment on 16 May 2022. The loan bears interest at 2% pa over LIBOR.

The Funded Unapproved Retirement Benefits Scheme (FURBS) loan is repayable on demand and currently bears interest at 1½% pa. Accrued interest at 31 December 2017 amounted to £465,285 (2016: £448,729) and these sums are included in note 18 under accruals and deferred income.

The bank overdraft facility and loans are secured by fixed and floating charges over the company's assets and mortgages over certain properties.

21 Finance lease obligations

	2017	2016
	£	£
Future minimum lease payments due under finance leases:		
Within one year	788,942	557,547
In two to five years	1,753,079	1,535,992
	<u>2,542,021</u>	<u>2,093,539</u>

The hire purchase liabilities are secured on the related assets.

22 Provisions for liabilities

	Notes	2017	2016
		£	£
Deferred tax liabilities	23	936,056	902,134
		<u>936,056</u>	<u>902,134</u>

CASTACRETE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****23 Deferred taxation**

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2017	2016
	£	£
Balances:		
Accelerated capital allowances	769,751	718,638
Revaluations	146,542	157,432
Investment property	100,480	103,708
Other timing differences	(80,717)	(77,644)
	<u>936,056</u>	<u>902,134</u>
		2017
		£
Movements in the year:		
Liability at 1 January 2017		902,134
Charge to profit or loss		44,812
Credit to other comprehensive income		(10,890)
		<u>936,056</u>

The deferred tax on revaluations and investment property relates to the estimated corporation tax on chargeable gains that would arise if the land and buildings were disposed of at the valuations included in the accounts.

All components of the deferred tax liability set out above are calculated at 17% and are expected to reverse after more than one year.

24 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>80,601</u>	<u>70,533</u>

The company operates two money purchase (defined contribution) pension schemes. Contributions payable to these schemes are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

25 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
1,980,000 ordinary shares of 5p each	<u>99,000</u>	<u>99,000</u>
	<u>99,000</u>	<u>99,000</u>

CASTACRETE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****25 Share capital****(Continued)****26 Operating lease commitments**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	66,801	74,441
Between two and five years	107,999	41,079
In over five years	107,917	-
	<u>282,717</u>	<u>115,520</u>

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2017 £	2016 £
Within one year	40,000	-
Between two and five years	160,000	-
In over five years	176,667	-
	<u>376,667</u>	<u>-</u>

The company has undertaken to meet the property lease obligations of its subsidiary, The Alexandra Stone Company Limited, following the transfer of that company's trade, assets and liabilities with effect from 31 December 2008.

27 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017 £	2016 £
Acquisition of tangible fixed assets	<u>1,093,730</u>	<u>1,339,894</u>

CASTACRETE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is as follows.

	2017	2016
	£	£
Aggregate compensation	281,758	253,806

The ultimate controlling party is Mr T A Smallman, one of the company's directors.

As at 31 December 2017 there were outstanding balances on unsecured loans from Mr and Mrs T A Smallman of £421,630 (2016: £426,652) repayable within one year. Interest at 9% has been charged on the loans since 1 January 2016. Accrued interest relating to these loans in the sum of £25,043 (2016: £27,205) remained outstanding as at the year end,

On 9 August 2013, a loan of £42,000 was made to Mr G Sargent. This loan was increased by £17,500 in June 2015, £3,500 in October 2016, and by £40,000 in March 2017. There are monthly repayments and no interest is being charged. The loan balance at the year end amounted to £51,472 (2016: £28,875) and is included within other debtors.

As at 31 December 2017 £6,000 (2016: £5,504) was due to Mr C J Smallman, the son of Mr and Mrs T A Smallman. Accrued interest relating to this loan in the sum of £404 (2016: £413) remained outstanding as at the year end,

The company occupies two properties owned by two of the company's pension schemes. Rent at a commercial rate of £117,180 was paid in the year (2016: £117,180).

As at 31 December 2017 the company owed the Funded Unapproved Retirement Benefits Scheme £1,103,631 (2016: £1,103,631). The loan currently bears interest at 1½% pa. £16,554 (2016: £18,178) of interest was charged during 2017 but not paid. The total accrued unpaid interest at 31 December 2017 amounted to £465,285 (2016: £448,730). Mr T A Smallman is one of the trustees of the Funded Unapproved Retirement Benefits Scheme.

29 Reserves

The profit and loss account balance of the company includes the sum of £1,544,735 representing the revaluation reserve of The Alexandra Stone Company Limited as at 31 December 2008, which was realised on the transfer of the freehold property to Castacrete Limited. Accordingly, this element of the company's reserves is not distributable.

The potential tax on the property originally owned by The Alexandra Stone Company Limited amounts to £112,800 (2016: £130,600). This has been deducted from the company's revaluation reserve, which includes valuation surpluses on the revaluation of this property and the company's other operational properties.

The profit and loss balance also includes £858,423 (2016: £835,195), which represents the net of the revaluation surplus on investment properties less the potential tax that would arise on the sale of those properties at their book value.

CASTACRETE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****30 Cash generated from operations**

	2017	2016
	£	£
Profit for the year after tax	2,565,941	2,551,031
Adjustments for:		
Taxation charged	569,978	585,041
Finance costs	169,927	172,038
Investment income	(651)	(3,271)
Gain on disposal of tangible fixed assets	(34,335)	(1,975)
Depreciation and impairment of tangible fixed assets	985,303	917,691
Fair value adjustment	(161,805)	(405,316)
Movements in working capital:		
(Increase) in stocks	(2,304,467)	(832,696)
(Increase) in debtors	(721,155)	(648,761)
Increase in creditors	2,344,786	1,511,649
Cash generated from operations	3,413,522	3,845,431

31 Post balance sheet events

On 4 January 2018 the company acquired land at the rear of an existing site. The purchase price was £950,000.