

COMPANY REGISTRATION NUMBER 01664145

FOREST TRAFFIC SERVICES LIMITED

ABBREVIATED ACCOUNTS

31 MARCH 2014

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FOREST TRAFFIC SERVICES LIMITED

ABBREVIATED ACCOUNTS

Year ended 31 March 2014

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FOREST TRAFFIC SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr A R Williams
Mr D J Williams
Mr R J Coppock
Mrs B Sweet-Williams

Company secretary

Ms A E Thomas

Registered office

Forest House
Broad Quay Road
Felnex Industrial Estate
Newport
South Wales
NP19 4PN

Auditor

Kilsby & Williams LLP
Chartered Accountants
& Statutory Auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

Bankers

National Westminster Bank plc
96 Queen Street
Cardiff
CF10 2GR

Solicitors

Berry Smith
Haywood House
Dumfries Place
Cardiff
CF10 3GA

FOREST TRAFFIC SERVICES LIMITED

STRATEGIC REPORT

Year ended 31 March 2014

The directors present their strategic report for the year ended 31 March 2014.

Review of the business

The Company provides temporary traffic management services and solutions to the construction industry from locations across Wales and Southern England. The business conducted is derived from three principal sources - utility companies, local and central governments.

The Company is typically employed as a subcontractor to the main contractor on new build infrastructure projects and on-going repair, maintenance and improvement (RMI) of existing infrastructure.

The Company's objective is to be the preferred choice for traffic management services and solutions for existing and new customers, delivering high quality service and performance, whilst ensuring and preserving the health and safety of all our employees.

Results & Performance

The results for the financial period under review are set out on page 8.

The pipeline of work was heavily disrupted by severe adverse weather conditions during the autumn and winter of 2013/14. This was further impacted upon by budget uncertainty causing erratic workflow through several key government framework contracts and further exacerbated by low levels of expenditure in key sectors of the industry. These factors combined to undermine the profitability of the company during the period.

There are many clear and firm indications in the industry of significantly increased and sustainable demand for traffic management services and trading in the early months of the current financial years clearly supports this view.

Business Environment

The traffic management industry can, in general, be split into two broad categories, fast road work, known as 12AB work, and urban and rural work, known as 12D work, with most traffic management companies choosing to focus on one category. The company, however, operates in both categories, following the strategy detailed below to maximise opportunity and growth and mitigate the workflow volatility risk.

In recent years reductions in government spending have impacted most severely on new build projects, with spending on RMI remaining robust. Whilst this has clearly had an impact on the size of the market place for traffic management services, RMI work comprises a larger percentage of the industry and has thus mitigated the reduction. Additionally, it is difficult for RMI work to be delayed, as to do so, would result in a deterioration of the infrastructure network, resulting in RMI spending being more robust and predictable in nature.

Strategy

The Company's success is dependent on the proper selection, pricing, delivery and on-going management of the contracts it accepts, to maximise profitability and mitigate the risk of workflow volatility. Forest actively pursues contracts in both market categories to exploit our regional capabilities and to maintain a diversified portfolio of contracts thereby mitigating the workflow volatility risk.

Key Performance Indicators (KPI's)

We have made significant progress throughout the year in relation to key elements of our strategy. The Board monitors the progress of the Company by reference to the following KPI's:

- Financial - reviewing and maximising contract profitability
- Financial - maximising cash generation
- Financial - continual review and alignment of costs
- Employee satisfaction
- Customer satisfaction
- Service - % of deliveries on time and in full
- Service - right first time with emphasis on safety, quality and environmental performance

FOREST TRAFFIC SERVICES LIMITED

STRATEGIC REPORT *(continued)*

Year ended 31 March 2014

Principal Risks & Uncertainties

The main risk facing the Company is the volatility and disruption in government spending on infrastructure. The Company has in place a strategy that actively seeks to mitigate and manage this risk and any consequences of a reduction in workload within its control.

Future Developments

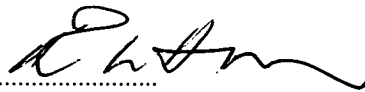
In the current economic climate, with high workload and improved pricing, the business strategy and model have provided a firm foundation for growth within the existing regions of operation and exploitation of the many opportunities available in the industry.

Signed on behalf of the directors

Mr A R Williams

Director

Approved by the directors on



5.11.2014

FOREST TRAFFIC SERVICES LIMITED

DIRECTORS' REPORT

Year ended 31 March 2014

The directors present their report and the financial statements of the company for the year ended 31 March 2014.

RESULTS AND DIVIDENDS

The loss for the year amounted to £291,049. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise balance balances, an invoice discounting facility, trade debtors, trade creditors and finance leases. The main purpose of these instruments is to raise funds and 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.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding through flexible use of the invoice discounting facility. The company manages the liquidity risk by ensuring there are sufficient funds to meet contractual payments.

The company is a lessee in respect of finance leased assets with fixed monthly payments. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

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

Trade creditors liquidity risk is managed by ensuring funds are available to meet obligations as they fall due.

DIRECTORS

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

Mr A R Williams
Mr D J Williams
Mr R J Coppock
Mrs B Sweet-Williams

Mrs B Sweet-Williams was appointed as a director on 1 November 2013.

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;

FOREST TRAFFIC SERVICES LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 31 March 2014

- 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

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 we set out in the company's strategic report information required by schedule 7 of the Large and Medium sized companies and Groups (Accounts and report) Regulations 2008.

AUDITOR

Kilsby & Williams LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.


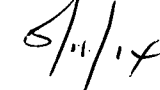
Each of the persons who is a director at the date of approval of this report confirm that:

- 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 themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the directors

Mr A R Williams
Director

Approved by the directors on

INDEPENDENT AUDITOR'S REPORT TO FOREST TRAFFIC SERVICES LIMITED**UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes, together with the financial statements of Forest Traffic Services Limited for the year ended 31 March 2014 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

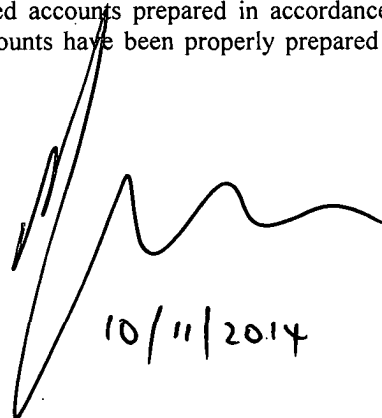
We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Noel Williams (Senior Statutory Auditor)
For and on behalf of
Kilsby & Williams LLP
Chartered Accountants & Statutory Auditor

Cedar House
Hazell Drive
Newport
NP10 8FY



10/11/2014

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FOREST TRAFFIC SERVICES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

Year ended 31 March 2014

	Note	2014 £	2013 £
TURNOVER		15,650,885	13,051,961
Cost of Sales and Other operating income		(12,051,865)	(9,606,669)
Administrative expenses		(3,813,218)	(2,917,283)
OPERATING (LOSS)/PROFIT	2	<u>(214,198)</u>	<u>528,009</u>
Interest payable and similar charges	5	(123,273)	(105,717)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(337,471)</u>	<u>422,292</u>
Tax on (loss)/profit on ordinary activities	6	46,422	(114,384)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u><u>(291,049)</u></u>	<u><u>307,908</u></u>

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

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 19 form part of these abbreviated accounts.

FOREST TRAFFIC SERVICES LIMITED

ABBREVIATED BALANCE SHEET

31 March 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	7	<u>1,277,595</u>	<u>804,219</u>
CURRENT ASSETS			
Stocks	8	206,806	158,570
Debtors	9	4,324,366	4,061,091
Cash at bank and in hand		<u>181,023</u>	<u>244,062</u>
		4,712,195	4,463,723
CREDITORS: Amounts falling due within one year	10	<u>(4,499,933)</u>	<u>(3,384,023)</u>
NET CURRENT ASSETS		<u>212,262</u>	<u>1,079,700</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,489,857</u>	<u>1,883,919</u>
CREDITORS: Amounts falling due after more than one year	11	(648,565)	(786,110)
PROVISIONS FOR LIABILITIES			
Deferred taxation	13	<u>(46,252)</u>	<u>(11,720)</u>
		<u>795,040</u>	<u>1,086,089</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16	688	688
Profit and loss account	17	<u>794,352</u>	<u>1,085,401</u>
SHAREHOLDERS' FUNDS	18	<u>795,040</u>	<u>1,086,089</u>

These abbreviated accounts have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated accounts were approved by the directors and authorised for issue on 05/11/14, and are signed on their behalf by:



Mr A R Williams

Company Registration Number: 01664145

The notes on pages 10 to 19 form part of these abbreviated accounts.

FOREST TRAFFIC SERVICES LIMITED

CASH FLOW STATEMENT

Year ended 31 March 2014

	Note	2014 £	2013 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	19	814,870	(139,422)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(86,916)	(87,304)
Interest element of hire purchase		<u>(36,357)</u>	<u>(18,413)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(123,273)	(105,717)
TAXATION		(80,954)	(133,567)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(146,783)	(58,475)
Receipts from sale of fixed assets		<u>(156)</u>	<u>32,067</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(146,939)	(26,408)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>463,704</u>	<u>(405,114)</u>
FINANCING			
Repayment of long-term amounts owed to group undertakings		(190,811)	585,221
Capital element of hire purchase		<u>(341,450)</u>	<u>(153,776)</u>
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(532,261)	431,445
(DECREASE)/INCREASE IN CASH	19	<u><u>(68,557)</u></u>	<u><u>26,331</u></u>

The notes on pages 10 to 19 form part of these abbreviated accounts.

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

The turnover shown in the profit and loss account is derived from ordinary activities and represents the value of work done in the financial year, exclusive of Value Added Tax.

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:

Leasehold Property	-	Over the lease term
Plant & Machinery	-	Over 2-8 years
Fixtures & Fittings	-	Over 3 years
Motor Vehicles	-	Over 3-5 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stocks consist of signs, cones and other sundry traffic management items purchased for minor works contracts. The value is calculated on a percentage of cost of sales based on the value of minor works contracts performed during the year.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2014

1. ACCOUNTING POLICIES *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2014	2013
	£	£
Depreciation of owned fixed assets	150,764	189,108
Depreciation of assets held under hire purchase agreements	122,023	67,826
Loss on disposal of fixed assets	4,692	—
Auditor's remuneration		
- as auditor	6,750	6,750

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2014

3. PARTICULARS OF EMPLOYEES

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

	2014	2013
	No	No
Number of production staff	173	136
Number of administrative staff	31	24
Number of management staff	10	13
	<u>214</u>	<u>173</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	8,192,129	4,977,250
Social security costs	628,661	538,996
Other pension costs	4,750	4,750
	<u>8,825,540</u>	<u>5,520,996</u>

4. DIRECTORS' REMUNERATION

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

	2014	2013
	£	£
Aggregate remuneration	41,372	41,372
Value of company pension contributions to money purchase schemes	4,750	4,750
	<u>46,122</u>	<u>46,122</u>

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

	2014	2013
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Interest payable on bank borrowing	34,267	20,273
Finance charges	36,357	18,413
Other similar charges payable	52,649	67,031
	<u>123,273</u>	<u>105,717</u>

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2014

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20% (2013 - 24%)	(80,954)	80,954
Total current tax	(80,954)	80,954
Deferred tax:		
Origination and reversal of timing differences (note 13)		
Capital allowances	48,411	21,350
Losses	(14,047)	14,047
Other	168	(1,967)
Total deferred tax (note 13)	34,532	33,430
Tax on (loss)/profit on ordinary activities	<u>(46,422)</u>	<u>114,384</u>

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2013 - 24%).

	2014 £	2013 £
(Loss)/profit on ordinary activities before taxation	<u>(337,471)</u>	<u>422,292</u>
(Loss)/profit on ordinary activities by rate of tax	(67,494)	101,350
Expenses not deductible for tax purposes	16,850	15,036
Capital allowances for period in excess of depreciation	(34,000)	(33,537)
Utilisation of tax losses	84,504	-
Marginal relief/rate differences	(80,954)	(3,962)
Sundry tax adjusting items	140	2,067
Total current tax (note 6(a))	<u>(80,954)</u>	<u>80,954</u>

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2014

7. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Office equipment £	Motor Vehicles £	Total £
COST					
At 1 April 2013	169,934	2,742,761	297,762	369,777	3,580,234
Additions	128,785	231,086	113,706	282,640	756,217
Disposals	(4,375)	(7,595)	—	(3,200)	(15,170)
Transfers	11,242	334,842	195	1	346,280
At 31 March 2014	<u>305,586</u>	<u>3,301,094</u>	<u>411,663</u>	<u>649,218</u>	<u>4,667,561</u>
DEPRECIATION					
At 1 April 2013	111,618	2,094,981	209,312	360,104	2,776,015
Charge for the year	17,622	133,167	62,865	59,133	272,787
On disposals	(1,580)	(5,854)	—	(3,200)	(10,634)
Transfers	3,333	347,328	10	1,127	351,798
At 31 March 2014	<u>130,993</u>	<u>2,569,622</u>	<u>272,187</u>	<u>417,164</u>	<u>3,389,966</u>
NET BOOK VALUE					
At 31 March 2014	<u>174,593</u>	<u>731,472</u>	<u>139,476</u>	<u>232,054</u>	<u>1,277,595</u>
At 31 March 2013	<u>58,316</u>	<u>647,780</u>	<u>88,450</u>	<u>9,673</u>	<u>804,219</u>

Historically there have been differences between the net book value of tangible fixed assets reflected in the accounts and the amounts shown on the fixed asset register. In the year, this has been amended with the net effect resulting in an £5,519 charge to the Profit & Loss.

Hire purchase agreements

Included within the net book value of £1,277,595 is £809,258 (2013 - £396,811) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £122,023 (2013 - £67,826).

8. STOCKS

	2014 £	2013 £
Stock	<u>206,806</u>	<u>158,570</u>

9. DEBTORS

	2014 £	2013 £
Trade debtors	3,851,475	3,852,217
Corporation tax repayable	80,954	—
Other debtors	8,615	39,753
Prepayments and accrued income	383,322	169,121
	<u>4,324,366</u>	<u>4,061,091</u>

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2014

10. CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	1,340,723	1,225,048
Amounts owed to group undertakings	156,000	140,000
Corporation tax	—	80,954
PAYE and social security	208,875	150,504
VAT	348,535	368,558
Hire purchase agreements	378,356	163,638
Other creditors	1,592,332	1,034,070
Directors current accounts	200,000	—
Accruals and deferred income	275,112	221,251
	<u>4,499,933</u>	<u>3,384,023</u>

An amount of £1,409,304 (2013 - £999,333) in other creditors is secured on debtors.

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

	2014	2013
	£	£
Hire purchase agreements	<u>378,356</u>	<u>163,638</u>

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

	2014	2013
	£	£
Amounts owed to group undertakings	394,410	585,221
Hire purchase agreements	254,155	200,889
	<u>648,565</u>	<u>786,110</u>

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

	2014	2013
	£	£
Hire purchase agreements	<u>378,356</u>	<u>200,889</u>

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2014

12. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2014	2013
	£	£
Amounts payable within 1 year	378,356	163,638
Amounts payable between 2 to 5 years	254,155	200,889
	<u>632,511</u>	<u>364,527</u>
Hire purchase agreements are analysed as follows:		
Current obligations	378,356	163,638
Non-current obligations	254,155	200,889
	<u>632,511</u>	<u>364,527</u>

13. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2014	2013
	£	£
Provision brought forward	11,720	(21,710)
Profit and loss account movement arising during the year	34,532	33,430
Provision carried forward	<u>46,252</u>	<u>11,720</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2014	2013
	£	£
Excess of taxation allowances over depreciation on fixed assets	48,411	-
Tax losses available	-	14,047
Other timing differences	(2,159)	(2,327)
	<u>46,252</u>	<u>11,720</u>

14. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	2014		2013	
	Land and buildings	Other Items	Land and buildings	Other Items
	£	£	£	£
Operating leases which expire:				
Within 1 year	8,800	38,118	-	77,646
Within 2 to 5 years	99,815	171,618	106,816	75,410
	<u>108,615</u>	<u>209,736</u>	<u>106,816</u>	<u>153,056</u>

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2014

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under Financial Reporting Standard No. 8 not to disclose transactions with entities, 100% of whose voting rights are controlled within the group.

Included within creditors due within one year are the following balances due to the directors at the year end.

	2014	2013
	£	£
A R Williams	<u>75,000</u>	<u>—</u>
D Williams	<u>125,000</u>	<u>—</u>

The amounts are interest free and repayable on demand.

16. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>688</u>	<u>688</u>	<u>688</u>	<u>688</u>

17. PROFIT AND LOSS ACCOUNT

	2014	2013
	£	£
Balance brought forward	1,085,401	777,493
(Loss)/profit for the financial year	(291,049)	307,908
Balance carried forward	<u>794,352</u>	<u>1,085,401</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
(Loss)/Profit for the financial year	(291,049)	307,908
Opening shareholders' funds	<u>1,086,089</u>	<u>778,181</u>
Closing shareholders' funds	<u>795,040</u>	<u>1,086,089</u>

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2014

19. NOTES TO THE CASH FLOW STATEMENT

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

	2014	2013
	£	£
Operating (loss)/profit	(214,198)	528,009
Depreciation	272,787	256,934
Loss on disposal of fixed assets	4,692	–
Increase in stocks	(48,236)	(14,131)
Increase in debtors	(182,321)	(284,329)
Increase/(decrease) in creditors	982,146	(625,905)
Net cash inflow/(outflow) from operating activities	<u>814,870</u>	<u>(139,422)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014	2013
	£	£
(Decrease)/increase in cash in the period	(68,557)	26,331
Net cash outflow from/(inflow) from long-term amounts owed to group undertakings	190,811	(585,221)
Cash outflow in respect of hire purchase	341,450	153,776
Change in net debt resulting from cash flows	463,704	(405,114)
New finance leases	(609,434)	(317,249)
Other differences	5,518	–
Movement in net debt in the period	<u>(140,212)</u>	<u>(722,363)</u>
Net debt at 1 April 2013	<u>(705,686)</u>	<u>16,677</u>
Net debt at 31 March 2014	<u>(845,898)</u>	<u>(705,686)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2013	Cash flows	Other changes	At 31 Mar 2014
	£	£	£	£
Net cash:				
Cash in hand and at bank	244,062	(63,039)	–	181,023
Debt:				
Debt due after 1 year	(585,221)	190,811	–	(394,410)
Hire purchase agreements	(364,527)	341,450	(609,434)	(632,511)
	<u>(949,748)</u>	<u>532,261</u>	<u>(609,434)</u>	<u>(1,026,921)</u>
Net debt	<u>(705,686)</u>	<u>469,222</u>	<u>(609,434)</u>	<u>(845,898)</u>

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2014

20. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Forest Support Services Limited, the immediate and ultimate parent undertaking. Copies of the financial statements of that company are available from Forest Supports Services Limited, Forest House, Broad Quay Road, Felnex Industrial Estate, Newport Gwent, NP19 4PN.