
**WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY
UNDERTAKING**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017



WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

COMPANY INFORMATION

Director	D J Wykes
Registered number	01665017
Registered office	Goosey Lodge Wymington Rushden Northamptonshire NN10 9LU
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU
Bankers	Lloyds Bank Plc 48 Market Street Wellingborough Northamptonshire NN8 1AG

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

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WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The director presents his report and the financial statements for the year ended 31 August 2017.

Principal activity

The group is engaged in general metal fabrication and mechanical engineering, the generation and sale of electricity and the rental of industrial plant.

Results and dividends

The profit for the year, after taxation, amounted to £2,261,323 (2016 - £2,989,002).

The director has not recommended payment of a dividend (2016: £nil).

Director

The director who served during the year was:

D J Wykes

Director's responsibilities statement

The director is responsible for preparing the Group strategic report, the Director's report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 group will continue in business.

The director is 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 the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017**

Future developments

There is currently no material plan to change the operations of the group during the coming financial year and as a result the group is expected to operate at the same levels for the year ending 31 August 2018.

Post balance sheet events

There have been no significant events affecting the group since the year end.

Disclosure of information to auditor

The director confirms that:

- so far as he is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to make himself aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



D J Wykes
Director

Date: 30 May 2018

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2017

Business review

The director acknowledges the profit level for the year and considers that the position at the Balance Sheet date is satisfactory and that future trading will continue to be profitable.

Principal risks and uncertainties

The group is subject to commercial uncertainties regarding future pricing in respect of power generated, and demand for its engineering services. It is too early to assess the potential impact of Brexit on the group. At this stage, the weakening of sterling since the original referendum vote has been the only impact on the business as a result of the vote as the group has made purchases of equipment in Euros.

The group's principal financial instruments comprise cash (via intra-group balances) and various items, such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks. The main risks arising from the group's financial instruments are credit risk and currency risk. The director reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk

Market risk encompasses currency risk and interest rate risk. The group's policies for managing interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the sub section below.

Currency risk

The group is exposed to transaction foreign exchange risk. If considered necessary, transaction exposures, including those associated with forecast transactions, are hedged when known, principally using forward currency contracts. Whilst the aim is to achieve an economic hedge the group does not adopt an accounting policy of hedge accounting for these financial statements.

Interest rate risk

The group finances its operations through a mixture of retained profits and loans from directors and commonly held companies, the latter generally without interest.

Credit risk

The group seeks to manage its credit risk by dealing with established customers or otherwise checking the creditworthiness of new customers, establishing clear contractual relationships with those customers, and by identifying and addressing any credit issues arising in a timely manner.

In order to manage credit risk the director sets limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

Financial key performance indicators

Gross profit

The directors regard gross profit as a key performance measure. Gross profit for the year was £5,228,196 (2016: £5,749,154).

Net assets

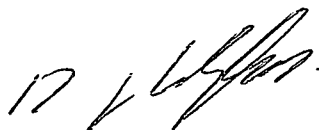
Net worth of the group is regarded as a key performance indicator. At 31 August 2017 the net assets of the group were £33,227,306 (2016: £30,965,983).

Debtor days

Debtor days are regularly monitored. As at 31 August 2017, debtor days were 88 (2016: 48).

This report was approved by the board and signed on its behalf.

D J Wykes
Director



Date: 30 May 2018



INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF WYKES ENGINEERING CO. (RUSHDEN) LIMITED

Opinion

We have audited the financial statements of Wykes Engineering Co. (Rushden) Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 August 2017, which comprise the Consolidated Statement of Comprehensive income, the Consolidated and Company Balance sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 group's and of the parent company's affairs as at 31 August 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Who we are reporting to

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF WYKES ENGINEERING CO. (RUSHDEN)
LIMITED**

Other information

The director is 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 the audit:

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

Matter on which we are required to report by the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Director's report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF WYKES ENGINEERING CO. (RUSHDEN)
LIMITED**

Responsibilities of directors for the financial statements

As explained more fully in the Director's responsibilities statement on page 1, the director is 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 director determines 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 director is responsible for assessing the group's and the parent 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 director either intend to liquidate the group or the parent 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Grant Thornton UK LLP

Jeremy Read (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Milton Keynes

Date:

30 May 2018

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Turnover	4	21,888,676	33,915,443
Cost of sales		(16,660,480)	(28,166,289)
Gross profit		5,228,196	5,749,154
Administrative expenses		(2,453,258)	(2,279,699)
Other operating income	5	297,667	294,516
Operating profit	6	3,072,605	3,763,971
Share of profit of associates		60,847	36,831
Total operating profit		3,133,452	3,800,802
Interest receivable and similar income	10	91,947	98,971
Interest payable and expenses	11	(331,152)	(328,043)
Profit before taxation		2,894,247	3,571,730
Tax on profit	12	(632,924)	(582,728)
Profit for the financial year		2,261,323	2,989,002
Profit for the year attributable to:			
Owners of the parent company		2,261,323	2,989,002

There was no other comprehensive income for 2017 (2016: £NIL).

The notes on pages 15 to 35 form part of these financial statements.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING
REGISTERED NUMBER:01665017

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	14	8,751,116	6,870,790
Investments	15	645,106	596,296
		<u>9,396,222</u>	<u>7,467,086</u>
Current assets			
Stocks and work in progress	16	1,877,022	1,991,225
Debtors	17	29,123,644	28,267,123
Cash at bank and in hand	18	2,999,470	3,348,740
		<u>34,000,136</u>	<u>33,607,088</u>
Creditors: amounts falling due within one year	19	(10,169,052)	(10,108,191)
Net current assets		<u>23,831,084</u>	<u>23,498,897</u>
Total assets less current liabilities		<u>33,227,306</u>	<u>30,965,983</u>
Net assets		<u><u>33,227,306</u></u>	<u><u>30,965,983</u></u>
Capital and reserves			
Called up share capital	22	1,000	1,000
Profit and loss account	23	33,226,306	30,964,983
		<u><u>33,227,306</u></u>	<u><u>30,965,983</u></u>

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

D J Wykes
Director

Date: *30 May 2018*

The notes on pages 15 to 35 form part of these financial statements.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING
REGISTERED NUMBER:01665017

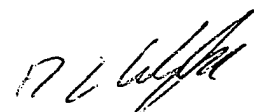
COMPANY BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	14	8,751,116	6,870,790
investments	15	75,376	75,376
		<u>8,826,492</u>	<u>6,946,166</u>
Current assets			
Stocks	16	1,877,022	1,976,225
Debtors	17	29,061,735	28,141,286
Cash at bank and in hand	18	415,954	849,139
		<u>31,354,711</u>	<u>30,966,650</u>
Creditors: amounts falling due within one year	19	(10,207,928)	(10,108,191)
Net current assets		<u>21,146,783</u>	<u>20,858,459</u>
Total assets less current liabilities		<u>29,973,275</u>	<u>27,804,625</u>
Net assets		<u>29,973,275</u>	<u>27,804,625</u>
Capital and reserves			
Called up share capital	22	1,000	1,000
Profit and loss account	23	29,972,275	27,803,625
		<u>29,973,275</u>	<u>27,804,625</u>

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

D J Wykes
Director

Date:


30 May 2018

The notes on pages 15 to 35 form part of these financial statements.

The parent company generated a profit for the year of £2,168,650 (2016: £2,920,791).

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2017**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£
At 1 September 2016	1,000	30,964,983	30,965,983	30,965,983
Comprehensive income for the year				
Profit for the year	-	2,261,323	2,261,323	2,261,323
At 31 August 2017	1,000	33,226,306	33,227,306	33,227,306

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£
At 1 September 2015	1,000	27,975,981	27,976,981	27,976,981
Comprehensive income for the year				
Profit for the year	-	2,989,002	2,989,002	2,989,002
At 31 August 2016	1,000	30,964,983	30,965,983	30,965,983

The notes on pages 15 to 35 form part of these financial statements.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2016	1,000	27,803,625	27,804,625
Comprehensive income for the year			
Profit for the year	-	2,168,650	2,168,650
At 31 August 2017	1,000	29,972,275	29,973,275

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2015	1,000	24,882,834	24,883,834
Comprehensive income for the year			
Profit for the year	-	2,920,791	2,920,791
At 31 August 2016	1,000	27,803,625	27,804,625

The notes on pages 15 to 35 form part of these financial statements.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	2,261,323	2,989,002
Adjustments for:		
Depreciation of tangible assets	2,743,136	1,562,072
Loss/(profit) on disposal of tangible assets	445	(9,537)
Interest payable	331,152	328,043
Interest received	(92,116)	(90,621)
Taxation charge	632,924	582,728
Decrease in stocks	114,203	10,951,086
(Increase)/decrease in debtors	(3,711,940)	15,994,260
Decrease/(increase) in short term loans to other related parties	2,993,711	(13,250,000)
Increase/(decrease) in creditors	155,227	(15,244,757)
(Decrease) in amounts owed to associates	(80,411)	(609,038)
Share of operating (profit) in associates	(60,847)	(36,831)
Corporation tax (paid)	(1,100,852)	(399,565)
Net cash generated from operating activities	4,185,955	2,766,842
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,623,907)	(3,382,851)
Sale of tangible fixed assets	-	12,642
Interest received	92,088	16,306
Net cash from investing activities	(4,531,819)	(3,353,903)

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017**

	2017 £	2016 £
Cash flows from financing activities		
Interest paid	(3,406)	-
Net cash used in financing activities	<u>(3,406)</u>	<u>-</u>
Net (decrease) in cash and cash equivalents	(349,270)	(587,061)
Cash and cash equivalents at beginning of year	3,348,740	3,935,801
Cash and cash equivalents at the end of year	<u>2,999,470</u>	<u>3,348,740</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,999,470	3,348,740
	<u>2,999,470</u>	<u>3,348,740</u>

The notes on pages 15 to 35 form part of these financial statements.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. General information

Wykes Engineering Co. (Rushden) Limited is a private limited company, limited by share capital and incorporated in England and Wales. The registered office address and principal place of business is Goosey Lodge, Wymington, Rushden, Northants, NN10 9LU. The principal activity of the group is detailed in the Director's Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 September 2014.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. Accounting policies (continued)

2.3 Associates and joint ventures

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the Consolidated balance sheet, the interests in associated undertakings are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

2.4 Going concern

The director has considered the working capital needs of the business for a period in excess of 12 months from the date of issue of the financial statements and accordingly considers it appropriate to prepare the financial statements on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. Accounting policies (continued)

2.5 Revenue

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

Sale of goods

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

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

Rendering of services

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

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

Sale of electricity

Revenue from the sale of electricity is recognised on an accruals basis at the point of generation and when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental of plant

Revenue from the rental of plant is recognised on an accruals basis during the period of rental.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. Accounting policies (continued)

2.6 Tangible fixed assets

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

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as outlined below.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant & machinery	- 25% reducing balance
Motor vehicles	- 35% reducing balance
Fixtures, fittings & computers	- 15% - 33% reducing balance
Waste to energy plant	- 25% straight line

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

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

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.8 Stocks

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

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

2.9 Debtors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. Accounting policies (continued)

2.10 Cash and cash equivalents

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

2.11 Financial instruments

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

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

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

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

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

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

2.12 Creditors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

2.14 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Pensions

Defined contribution pension plan

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

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

2.16 Holiday pay accrual

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. Accounting policies (continued)

2.17 Interest income

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

2.18 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.19 Research and development

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

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

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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

Preparation of the financial statements requires the director to make certain judgements and estimates. The items in the financial statement where these judgements and estimates have been made include:

Fixed assets

Depreciation is charged with due consideration to the useful economic life and residual value of fixed assets and the continuing appropriateness of the applied policy is considered on an annual basis by the director. There is judgement in assessing the appropriateness of the useful economic life and the criteria regarding when to commence depreciation following the installation of items of plant.

Provisions for bad debts

Trade debtors are assessed for recoverability at each reporting date and provision is made for bad and doubtful debts on a reasonable and prudent basis.

Profits on long term contracts

Profits on long term contracts are recognised based on the stage of completion of each contract and when the final outcome can be assessed with reasonable certainty. The recognised profit is calculated so as to reflect the proportion of the work completed at the reporting date, by recording turnover and related costs as the contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract.

Valuation of stocks and work in progress

Ongoing contracts are reviewed at each reporting date and full provision is made for losses on onerous contracts in the period during which they are first foreseen.

4. Turnover

The whole of the turnover is attributable to the principal activities of the group.

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	21,154,605	32,954,928
Rest of Europe	600,321	160,628
Rest of the world	133,750	799,887
	<u>21,888,676</u>	<u>33,915,443</u>

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. Other operating income

	2017 £	2016 £
Net rents receivable	137,000	137,000
Service charges	41,616	40,800
Management services	41,021	40,216
Consultancy income	78,030	76,500
	<u>297,667</u>	<u>294,516</u>

6. Operating profit

The operating profit is stated after charging / (crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	2,743,136	1,562,072
Loss / (profit) on disposal of tangible fixed assets	445	(9,537)
Exchange differences	39,529	(50,094)
Defined contribution pension cost	147,331	159,103
	<u>2,930,441</u>	<u>1,661,544</u>

7. Auditor's remuneration

	2017 £	2016 £
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	23,250	22,145
Fees payable to the group's auditor and its associates in respect of:		
Taxation compliance services	13,775	12,515
Other services relating to taxation	3,403	10,301
All other services	1,485	3,084
	<u>18,663</u>	<u>25,900</u>

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

8. Employees

Staff costs, including director's remuneration, were as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	2,541,028	2,504,988	2,541,028	2,504,988
Social security costs	286,402	278,059	286,402	278,059
Cost of defined contribution scheme	147,331	159,103	147,331	159,103
	<u>2,974,761</u>	<u>2,942,150</u>	<u>2,974,761</u>	<u>2,942,150</u>

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

	2017 No.	2016 No.
Production staff	43	45
Administrative and management staff	28	28
	<u>71</u>	<u>73</u>

9. Director's remuneration

	2017 £	2016 £
Director's emoluments	148,963	147,016

There were no retirement benefits accruing to the director (2016: £NIL).

10. Interest receivable

	2017 £	2016 £
Share of associate's interest receivable	28	807
Other interest receivable	91,919	98,164
	<u>91,947</u>	<u>98,971</u>

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

11. Interest payable and similar charges

	2017 £	2016 £
Other loan interest payable	327,746	328,043
Other interest payable	3,406	-
	<u>331,152</u>	<u>328,043</u>

12. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	763,831	826,876
Adjustments in respect of previous periods	(3,074)	(235,512)
	<u>760,757</u>	<u>591,364</u>
Share of associate's current tax	12,065	8,251
Total current tax	<u>772,822</u>	<u>599,615</u>
Deferred tax		
Origination and reversal of timing differences	(139,898)	(16,887)
Total deferred tax	<u>(139,898)</u>	<u>(16,887)</u>
Taxation on profit on ordinary activities	<u>632,924</u>	<u>582,728</u>

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19.58% (2016: 20.00%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	2,894,247	3,571,730
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.58% (2016 - 20.00%)	566,366	714,346
Effects of:		
Fixed asset differences	12,912	32,458
Adjustments to tax charge in respect of prior periods	(3,074)	(219,458)
Net of non-taxable income and expenses not deductible for tax purposes, other than goodwill and impairment	4,948	(4,831)
Difference on associate's current tax	146	724
Difference on subsidiary's current tax	(8,588)	(7,765)
Adjustment to deferred tax in respect of tax rate changes	60,214	67,254
Total tax charge for the year	632,924	582,728

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent company for the year was £2,168,650 (2016 - £2,920,791).

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

14. Tangible fixed assets

Group and Company

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures, fittings & computers £	Waste to Energy plant £	Total £
Cost or valuation						
At 1 September 2016	3,570,877	1,843,271	453,841	498,085	23,633,542	29,999,616
Additions	70,070	27,718	28,792	21,208	4,476,119	4,623,907
Disposals	(700)	-	(21,500)	-	-	(22,200)
At 31 August 2017	<u>3,640,247</u>	<u>1,870,989</u>	<u>461,133</u>	<u>519,293</u>	<u>28,109,661</u>	<u>34,601,323</u>
Depreciation						
At 1 September 2016	1,017,535	1,752,376	358,444	447,928	19,552,543	23,128,826
Charge for the year on owned assets	67,055	29,654	43,310	18,996	2,584,121	2,743,136
Disposals	(700)	-	(21,055)	-	-	(21,755)
At 31 August 2017	<u>1,083,890</u>	<u>1,782,030</u>	<u>380,699</u>	<u>466,924</u>	<u>22,136,664</u>	<u>25,850,207</u>
Net book value						
At 31 August 2017	<u>2,556,357</u>	<u>88,959</u>	<u>80,434</u>	<u>52,369</u>	<u>5,972,997</u>	<u>8,751,116</u>
At 31 August 2016	<u>2,553,342</u>	<u>90,895</u>	<u>95,397</u>	<u>50,157</u>	<u>4,080,999</u>	<u>6,870,790</u>

All of the group's tangible fixed assets are held in the parent company.

Included in freehold property is freehold land with a cost of £219,673 (2016: £218,128) which is not depreciated.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. Fixed asset investments

Group

	Investment in associate £
Cost or valuation	
At 1 September 2016	596,296
Share of profit/(loss)	48,810
	<hr/>
At 31 August 2017	645,106
	<hr/>
Net book value	
At 31 August 2017	645,106
	<hr/>
At 31 August 2016	596,296
	<hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Wykes Engineering (Europe) Limited	Ordinary	100 %	Mechanical engineering

Name	Country of incorporation
Wykes Engineering (Europe) Limited	Isle of Man

The aggregate of the share capital and reserves as at 31 August 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit £
Wykes Engineering (Europe) Limited	2,684,301	43,863
	<hr/>	<hr/>

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

15. Fixed asset investments (continued)

Participating interests

Associates

Name	Registered office	Class of shares	Holding	Principal activity
K J Wykes Limited	England	Ordinary	50%	Electrical engineering and repairs

The financial year end of K J Wykes Limited was 31 May 2017 and was not therefore co-terminous with that of the company. At 31 May 2017, the aggregate of share capital and reserves of the K J Wykes Limited amounted to £1,290,211 and the profit for the year then ended amounted to £101,896.

Company

	Investment in subsidiary company £	Investment in associate £	Total £
Cost or valuation			
At 1 September 2016	1	75,375	75,376
At 31 August 2017	1	75,375	75,376
Net book value			
At 31 August 2017	1	75,375	75,376
At 31 August 2016	1	75,375	75,376

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Raw materials and consumables	54,875	62,176	54,875	62,176
Work in progress	622,147	729,049	622,147	714,049
Property trading stock	1,200,000	1,200,000	1,200,000	1,200,000
	1,877,022	1,991,225	1,877,022	1,976,225

Stock recognised in cost of sales during the year as an expense was £12,524,822 (2016 - £25,113,625).

17. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Due after more than one year				
Deferred tax asset	745,190	605,292	745,190	605,292
Due within one year				
Trade debtors	8,495,495	4,436,747	8,433,586	4,319,403
Amounts owed by group undertakings	-	-	-	433
Amounts owed by associated undertakings	1,089	2,695	1,089	2,695
Other debtors	1,035,249	1,376,077	1,035,249	1,367,151
Short term loans to other related parties	18,775,000	21,768,711	18,775,000	21,768,711
Prepayments and accrued income	71,621	77,601	71,621	77,601
	29,123,644	28,267,123	29,061,735	28,141,286

Short term loans to other related parties are unsecured, interest free and repayable on demand.

18. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	2,999,470	3,348,740	415,954	849,139

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

19. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Payments received on account	167,905	108,922	167,905	108,922
Trade creditors	1,570,729	932,525	1,571,205	932,525
Amounts owed to group undertakings	-	-	42,600	-
Amounts owed to associated undertakings	36,459	118,476	36,459	118,476
Corporation tax	463,831	803,926	463,831	803,926
Other taxation and social security	1,064,931	71,829	1,060,731	71,829
Other creditors	6,865,197	8,072,513	6,865,197	8,072,513
	<u>10,169,052</u>	<u>10,108,191</u>	<u>10,207,928</u>	<u>10,108,191</u>

20. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets measured at fair value through profit or loss	2,999,470	3,348,740	415,954	849,139
Financial assets measured at amortised cost	28,306,833	27,584,230	28,244,924	27,458,393
	<u>31,306,303</u>	<u>30,932,970</u>	<u>28,660,878</u>	<u>28,307,532</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(8,472,385)	(9,123,514)	(8,515,461)	(9,123,514)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by group and associated undertakings and short term loans to other related parties.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group and associated undertakings and other creditors.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

21. Deferred taxation

Group

	2017 £	2016 £
At beginning of year	605,292	588,405
Charged to profit or loss	139,898	16,887
At end of year	745,190	605,292

The deferred tax asset is made up as follows:

	Group 2017 £	Group 2016 £
Capital allowances less than depreciation	350,689	245,516
Directors loan account interest accrual	394,501	359,776
	745,190	605,292

The deferred tax asset arises from a) the difference between the depreciation charged on plant and the capital allowances available in the year and b) interest payable on the director's loan to the company but unpaid at the year end.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

22. Share capital

	2017 £	2016 £
Authorised		
3,000 Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

23. Reserves

Profit & loss account

Includes all current and prior period retained profits and losses.

24. Contingent liabilities

The company entered into an omnibus guarantee and set off agreement with associated and commonly held companies in respect of any indebtedness to Lloyds Bank Plc in respect of a loan to Chelveston Renewable Energy Limited. This is secured by fixed and floating charges over all of the company's assets. The amount of debt outstanding owed by Chelveston Renewable Energy Ltd as at 31 August 2017 was £16,375,000 (2016: £29,486,000).

25. Capital commitments

At 31 August 2017 the group and company had capital commitments as follows:

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Contracted for but not provided in these financial statements	<u>184,694</u>	<u>383,796</u>	<u>184,694</u>	<u>383,796</u>

26. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £147,331 (2016: £159,103). Contributions totalling £4,321 (2016: £6,054) were payable to the fund at the balance sheet date and are included in creditors.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

27. Related party transactions

During the year, the group traded with the following companies in which Mr D J & Mrs E J Wykes are directors and/or shareholders:

	Sales during the year 2017 £	Sales during the year 2016 £	Purchases during the year 2017 £	Purchases during the year 2016 £
Ancillary Components Limited	4,812,053	7,818,332	8,884,350	9,461,384
Ancillary Components (Europe) Limited	32,537	31,929	-	-
Federal Estates Limited	22,645	9,082,867	-	31,954
K J Wykes Limited	10,087	51,554	36,032	323,786
Chelveston Renewable Energy Limited	1,497	3,004,534	-	2,819
	<u>4,878,819</u>	<u>19,989,216</u>	<u>8,920,382</u>	<u>9,819,943</u>
	Balance owed to the company at 31 August 2017 £	Balance owed to the company at 31 August 2016 £	Balance owed by the company at 31 August 2017 £	Balance owed by the company at 31 August 2016 £
Ancillary Components Limited	830,619	1,178,372	249,335	1,524,536
Federal Estates Limited	17,706,067	21,798,220	-	-
K J Wykes Limited	1,089	2,695	36,459	118,475
Chelveston Renewable Energy Limited	1,132,381	94,734	650	3,383
	<u>19,670,156</u>	<u>23,074,021</u>	<u>286,444</u>	<u>1,646,394</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director. Total compensation payable to key management personnel during the year amounted to £164,084 (2016: £161,332).

At 31 August 2017, the group owed £3,725,045 (2016: £3,991,195) to Mr D J Wykes in respect of his director's loan account. This loan attracts interest at a rate of 8% per annum and is repayable on demand.

At 31 August 2017, the group owed £71,277 (2016: £71,277) to Mrs E J Wykes. This loan attracts interest at a rate of 8% per annum and is repayable on demand.

At 31 August 2017, the group owed £50,000 (2016: £50,000) to the late Mr K J Wykes. This loan does not attract interest and is repayable on demand.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED AND ITS SUBSIDIARY UNDERTAKING

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

28. Controlling party

Mr D J Wykes is this group's controlling related party by virtue of his office and shareholding in the company.