Grant Thornton

Financial Statements
Mick George Limited

For the year ended 31 May 2015

Registered number: 02417831

Company Information

Directors	Mr M E George Mr P D Newman Mr J P Stump Mr G Craven Mr N G Johnson Mr M A George
Company secretary	Mr J P Stump
Registered number	02417831
Registered office	6 Lancaster Way Ermine Business Park Huntingdon Cambridgeshire PE29 6XU
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 101 Cambridge Science Park Milton Road Cambridge Cambridgeshire CB4 0FY
Bankers	Barclays Bank Plc Mortlock House Histon Cambridge CB24 9DE
Solicitors	Sloan Plumb Wood LLP Apollo House Isis Way, Minerva Minerva Business Park Lynch Wood Peterborough PE2 6QR

Mick George Limited

Contents

Group strategic report
For the year ended 31 May 2015

Review of the Business

The trends and outlook reported in 2014 continued as expected throughout the year ended 31st May 2015 and the board are delighted to report that the group exceeded its forecast targets for a second consecutive year.

Revenue growth showed another very strong increase from £54m to £76m an increase of 40% in the year ended 31st May 2015. Over the last three years the business has grown its group headline revenues by an impressive 137% representing an average annual increase of 33.3%.

Underlying profit margins were also maintained throughout the year resulting in an 124% increase in pre-tax profits and an EBITDA of £15m up by £8m on 2014 an increase of 83%.

The growth in Company revenues and profits has been achieved through an increase in all of the Groups operations with all areas of the business showing healthy increases on 2014. The new concrete batching plant in Cambridge opened in November 2014 doubling the Company's production capacity and the continued investment made in vehicles, plant and sites allowed the business to continue its targeted expansion plans.

Continued business expansion remains the objective for the Group whilst ensuring sufficient reserves of aggregates and void are held to sustain current and projected business levels.

Principal risks and uncertainties

The board continues to be hands on across all facets of the business and the move to new office premises in July 2015, merging four independent offices has further enhanced the management control processes. Matters are continually addressed to ensure best practice is being maintained and any concerns or issues raised are immediately addressed with outcomes agreed and implemented to ensure no escalation of any potential matters.

Accounting Controls
The group produces monthly management accounts to strict deadlines and forecasts its detailed cash requirements for several months in advance. The Company also has a five year business plan 2014-2019 which identifies all key planned strategic events. The Company also produces various daily, weekly and monthly reports, monitoring all key operational activities enabling a continuous review process and timely strategic decisions where deemed appropriate.

Information technology
The Company's technology platforms are continually evolving as the business strives to implement both efficiencies and improvements across its business operations. Disaster Recovery plans are also reviewed regularly and updated as required.

Increased Competition
Competition remains healthy but the board remains highly confident of its ability to secure the level of work it has forecast to deliver results in line with expectation. The Company has continuously been increasing its brand recognition and continues to invest in vehicles and plant to meet the increasing demands of our customers.

Compliance
Compliance lies at the heart of everything the Company does in terms of vehicle management and site management and monitoring and forms the foundation for the good relationships enjoyed with all of the relevant governing bodies. The in-house vehicle compliance unit which was created in 2014 provides continuous high level assurances to both the Company and external stake holders and we have engaged into a regularised audit process with the Road Haulage Association to ensure we maintain the highest standards at all times.

Financial Risk Management Objectives and Policies
The Company uses various financial instruments including bank loans and overdrafts, confidential invoice discounting, finance leases and hire purchase agreements and various items such as its trade debtors and trade

Group strategic report (continued)

For the year ended 31 May 2015

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, which are described in more detail below:

The main risks arising from the group's financial instruments are market risk, liquidity risk, interest rate risk, credit risk and liquidity risk. The Directors review and agree policies for managing these risks and they are summarized below. The policies have remained unchanged from previous years.

Market risk: Market risk main risk being the fair value interest rate risk. The group's policies for managing fair value interest rate risk are considered along with those for managing cashflow interest rate risk and are set out in subsection entitled "interest risk" below.

Interest risk: The group finances its operations through a mixture of retained profits and bank borrowings. The group exposure to interest rate fluctuations on its borrowing is managed by the use of both fixed and floating facilities.

Liquidity risk: The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet on-going operations and future development. Short term debt finance flexibility is achieved by invoice discounting, hire purchase and bank loans.

Credit risk: The group's principal financial assets are cash and trade debtors. In order to manage credit risk the directors set limits for customers based on carrying out independent credit checks, credit agency and third party references, and after trading history has been achieved payment history is also monitored. Credit limits are reviewed on a regular periodic basis by the credit control team in conjunction with debt ageing and collection history.

Financial key performance indicators

The key performance indicators monitored by the Board are retained profits, gearing ratio and turnover per employee and EBITDA. The annualised key performance indicators are as follows:

Retained profits £8,505,000 (2014: £3,823,000)
Gearing ratio 108% (2014: 92%)
Turnover per employee: £162,000 (2014: £151,000)
EBITDA £14,714,000 (2014: £8,020,000)

The directors are satisfied with performance against the targets set.

Future developments

The board remains extremely buoyant and considers it is well placed to further build on the performance of 2015. New services have already been added with the launch of its Commercial Trade waste service in June 2015 and existing operations continue to be developed across its existing sites. A number of additional mineral and void reserves have also been secured since the end of the year which ensures continuity of supply for many years ahead. Focus continues to be applied to expanding its geographical operations further as the Company also continues to build on its reputation gained from many years of operation. The Board remains fully committed to ensuring the business continues to develop and grow.

Group strategic report (continued)
For the year ended 31 May 2015

This report was approved by the board on 4th December 2015 and signed on its behalf.

Mr J P Stump
Director

Directors' report
For the year ended 31 May 2015

The Directors present their report and the audited financial statements for the year ended 31 May 2015.

Principal activities

The principal activity of the Group during the year is considered to be supply of construction and waste services consisting of earthworks, demolition and site clearance, waste management including skip hire, treatment and disposal, recycling, quarrying of aggregates, land restoration and landfill and the supply of ready mix concrete.

Directors' responsibilities statement

The Directors are responsible for preparing the Group strategic report, the 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Dividends

Particulars of dividends paid are detailed in note 10 to the financial statements.

Directors

The Directors who served during the year were:

Mr M E George
Mr P D Newman
Mr J P Stump
Mr G Craven
Mr N G Johnson
Mr M A George

Directors' report

For the year ended 31 May 2015

Employee involvement

The group keeps employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the group.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the group's policy whenever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Directors' indemnity arrangements

The company has purchased and maintained throughout the year directors' and officers' liability insurance in respect of itself and its directors.

Land and buildings

The directors are of the opinion that the market value of the land and buildings is in excess of its net book value of £14m.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the company and the group's auditor is unaware; and
- that Director has taken all the steps that ought to have been taken as a Director in order to be 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 on 4th December 2015 and signed on its behalf.

Mr J P Stump
Director

GrantThornton

Independent auditor's report to the members of Mick George Limited

We have audited the financial statements of Mick George Limited for the year ended 31 May 2015, which comprise the consolidated Profit and loss account, the consolidated and company Balance sheets, the consolidated Cash flow statement and reconciliation of net cash flow to movement in net funds/debt, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Respective responsibilities of Directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 May 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Grant Thornton

Independent auditor's report to the members of Mick George Limited

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

Paul Brown (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Cambridge
Date:
4 December 2015

Consolidated profit and loss account

For the year ended 31 May 2015

	Note	2015 £000	2014 £000
Turnover	1,2	**75,938**	54,202
Cost of sales		**(55,377)**	(41,495)
Gross profit		**20,561**	12,707
Administrative expenses		**(9,257)**	(7,449)
Other operating income	3	**76**	76
Operating profit	4	**11,380**	5,334
Interest receivable and similar income		**-**	10
Interest payable and similar charges	8	**(623)**	(541)
Profit on ordinary activities before taxation		**10,757**	4,803
Tax on profit on ordinary activities	9	**(2,269)**	(991)
Profit on ordinary activities after taxation		**8,488**	3,812
Minority interests		**17**	12
Profit for the financial year	26	**8,505**	3,824

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 14 to 37 form part of these financial statements.

Mick George Limited
Registered number: 02417831

Consolidated balance sheet

As at 31 May 2015

	Note	£000	2015 £000	£000	2014 £000
Fixed assets					
Tangible assets	12		**41,329**		26,531
Investments	13		**-**		-
			41,329		26,531
Current assets					
Stocks	14	**1,237**		1,342	
Debtors	15	**19,806**		13,890	
Cash at bank and in hand		**551**		578	
		21,594		15,810	
Creditors: amounts falling due within one year	16	**(27,487)**		(20,787)	
Net current liabilities			**(5,893)**		(4,977)
Total assets less current liabilities			**35,436**		21,554
Creditors: amounts falling due after more than one year	17		**(10,562)**		(4,936)
Provisions for liabilities					
Deferred tax	18	**(1,978)**		(1,403)	
Other provisions	19	**(43)**		-	
			(2,021)		(1,403)
Net assets			**22,853**		15,215
Capital and reserves					
Called up share capital	25		**1**		1
Revaluation reserve	26		**4,965**		4,965
Profit and loss account	26		**17,916**		10,261
Shareholders' funds	27		**22,882**		15,227
Minority interests	33		**(29)**		(12)
			22,853		15,215

Consolidated balance sheet (continued)

As at 31 May 2015

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4/12/15

Mr J P Stump
Director

The notes on pages 14 to 37 form part of these financial statements.

Mick George Limited
Registered number: 02417831

Company balance sheet
As at 31 May 2015

	Note	£000	2015 £000	£000	2014 £000
Fixed assets					
Tangible assets	12		39,536		25,434
Investments	13		-		-
			39,536		25,434
Current assets					
Stocks	14	1,141		1,298	
Debtors	15	18,864		12,883	
Cash at bank and in hand		519		508	
		20,524		14,689	
Creditors: amounts falling due within one year	16	(25,220)		(19,020)	
Net current liabilities			(4,696)		(4,331)
Total assets less current liabilities			34,840		21,103
Creditors: amounts falling due after more than one year	17		(10,263)		(4,512)
Provisions for liabilities					
Deferred tax	18	(1,920)		(1,369)	
Other provisions	19	(43)		-	
			(1,963)		(1,369)
Net assets			22,614		15,222
Capital and reserves					
Called up share capital	25		1		1
Revaluation reserve	26		4,965		4,965
Profit and loss account	26		17,648		10,256
Shareholders' funds	27		22,614		15,222

Company balance sheet (continued)
As at 31 May 2015

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4/12/15

Mr J P Stump
Director

The notes on pages 14 to 37 form part of these financial statements.

Mick George Limited

Consolidated cash flow statement

For the year ended 31 May 2015

	Note	2015 £000	2014 £000
Net cash flow from operating activities	28	**9,743**	5,288
Returns on investments and servicing of finance	29	**(623)**	(532)
Taxation		**(1,779)**	(879)
Capital expenditure and financial investment	29	**(6,544)**	(1,696)
Cash inflow before financing		**797**	2,181
Financing	29	**(1,936)**	(2,650)
Decrease in cash in the year		**(1,139)**	(469)

Reconciliation of net cash flow to movement in net funds/debt

For the year ended 31 May 2015

	2015 £000	2014 £000
Decrease in cash in the year	**(1,139)**	(469)
Cash outflow from decrease in debt and lease financing	**1,936**	2,650
Change in net debt resulting from cash flows	**797**	2,181
New finance lease	**(11,574)**	(3,503)
Other non-cash changes	**-**	1
Movement in net debt in the year	**(10,777)**	(1,321)
Net debt at 1 June 2014	**(13,371)**	(12,050)
Net debt at 31 May 2015	**(24,148)**	(13,371)

The notes on pages 14 to 37 form part of these financial statements.

Notes to the financial statements

For the year ended 31 May 2015

1. Accounting policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

1.1 Basis of preparation of financial statements - going concern

The financial statements have been prepared on a going concern basis, which assumes the group will continue in operational existence for the foreseeable future. During the year the group made a profit after taxation of £8,505,000 (2014 - £3,824,000) and generated operational cash flow of £9,743,000 (2014 - £5,288,000) which has been utilised to service the group's debt and invest in fixed assets, leading to a net cash outflow of £1,139,000 (2014: £469,000).

At 31 May 2015, the group had net assets of £22,853,000 (2014 - £15,215,000) but has net current liabilities of £5,893,000 (2014 - £4,977,000).

The directors have prepared projected profit and cash flow information for the period up to 31 May 2019, which incorporate their best estimate of the timing and value of sales revenue, expenditure and consequential bank funding requirements. The group continues to have regular dialogue with providers of funds, including its bankers to ensure that facilities available match the investment plans and working capital requirements to support the planned growth of the business.

Accordingly, the directors believe that the company will have sufficient cash resources to satisfy its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements and so have prepared the financial statements on a going concern basis. The financial statements do not include any adjustments that might arise if the going concern basis is not appropriate.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Mick George Limited and all of its subsidiary undertakings ('subsidiaries'). Acquisitions are accounted for under the acquisition method. The results of subisidiaries acquired during the year are included from the effective date of acquisition.

1.3 Turnover

The group's turnover represents the sale of goods and services recognised by the group when the economic benefit and control of the transaction has been transferred to the buyer and/or the job has been completed.

In the case of long term contracts, turnover reflects the proportion of work completed to date, agreed to the external valuation of work performed for long term contracts. To the extent that these agreed works exceed amounts invoiced, this is included within the balance sheet as amounts recoverable under long term contracts.

Costs associated with long term contracts are included in stock to the extent that they cannot be matched with contract work accounted for as turnover. Long-term contract balances are stated at cost after provision has been made for any foreseeable losses and the deduction of applicable payments on account. Full provision is made for foreseeable losses on all contracts in the year in which the loss is first foreseen.

Notes to the financial statements
For the year ended 31 May 2015

1. Accounting policies (continued)

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	-	2 to 5 years straight line

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	See note below
Leasehold property	-	Over the life of the lease
Plant & machinery	-	10% to 15% straight line
Motor vehicles	-	15% to 25% straight line
Fixtures & fittings	-	25% straight line

Landfill sites included within freehold and leasehold property are held at valuation. Valuations occur every five years with an interim valuation every three years in between. Updated valuations will be sought sooner if directors identify significant changes to the valuation have occurred. Fixed asset costs include capitalised labour, plant and consumed materials used to construct infrastructure at the company's freehold and leasehold sites where it creates facilities and infrastructure to enable the company to improve operational performance and activities. Only directly attributable costs are capitalised, based on management estimates of the time and costs incurred in respect of these works.

Valuations are performed by professional valuers on an existing use basis. Deficits or supluses on revaluation are taken to the revaluation reserve, unless the deficit is considered permanent, in which case it is taken to the profit and loss account.

The company does not currently provide for depreciation of its freehold land and buildings. It maintains these in a good condition with regular maintenance and repair. The directors do not consider that the residual values of the land and property will fall below original cost.

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Notes to the financial statements
For the year ended 31 May 2015

1. Accounting policies (continued)

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Stocks of aggregate extracted from the group's extraction sites are measured by the company's qualified valuer. The cost estimated by management is based on time and costs incurred during the extraction, preparation and grading processes for each class and grade of aggregate held at the balance sheet date. Costs of other consumables are recorded by reference to original price.

1.8 Leasing and hire purchase

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Where the company acts as a lessor for finance lease agreements the net investment in finance leases is included within debtors. This represents outstanding amounts due under these agreements less finance charges allocated to future periods. Finance lease interest is recognised at a constant rate of return on the present value of outstanding balances. These amounts are included within other interest income.

1.9 Operating leases

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

1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the rules of the scheme.

Notes to the financial statements
For the year ended 31 May 2015

1. Accounting policies (continued)

1.11 Taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.12 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.

1.13 Site rectification and monitoring cost provisions

Costs of site rectification are expensed as incurred during the working life of each site. Provision for final rectification and future contamination monitoring is only recognised where a realiable estimate of new future costs can be made. In general the directors do not believe a reliable estimate can be calculated and so have not recognised a provision for these future costs.

2. Turnover

The whole of the turnover is attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

Notes to the financial statements

For the year ended 31 May 2015

3. Other operating income

	2015 £000	2014 £000
Rent receivable	76	76

4. Operating profit

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

	2015 £000	2014 £000
Amortisation - intangible fixed assets	-	26
Depreciation of tangible fixed assets:		
- owned by the group	1,445	1,802
- held under finance leases	1,889	858
Operating lease rentals:		
- plant and machinery	1,107	510
- other operating leases	602	676
Profit on disposal of fixed assets	(14)	62

5. Auditors' remuneration

	2015 £000	2014 £000
Fees payable to the group's auditor and its associates for the audit of the company's annual accounts	30	26
Fees payable to the group's auditor and its associates in respect of:		
The auditing of accounts of subsidiaries of the company	14	8
Taxation compliance services	8	6

6. Staff costs

Staff costs, including Directors' remuneration, were as follows:

	2015 £000	2014 £000
Wages and salaries	14,176	10,766
Social security costs	1,467	1,150
Other pension costs	102	32
	15,745	11,948

Notes to the financial statements

For the year ended 31 May 2015

6. Staff costs (continued)

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

	2015 No.	2014 No.
Distribution staff	**343**	264
Administrative staff	**105**	75
Management staff	**21**	20
	469	359

7. Directors' remuneration

	2015 £000	2014 £000
Remuneration	**514**	570
Company pension contributions to defined contribution pension schemes	**17**	17

During the year retirement benefits were accruing to 4 Directors (2014 - 4) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £142,000 (2014 - £114,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £4,000 (2014 - £4,000).

8. Interest payable

	2015 £000	2014 £000
On bank loans and overdrafts	**153**	112
On invoice discounting	**147**	135
On finance leases and hire purchase contracts	**323**	235
Other interest payable on overdue tax	**-**	59
	623	541

Notes to the financial statements

For the year ended 31 May 2015

9. Taxation

	2015 £000	2014 £000
Analysis of tax charge in the year/period		
Current tax (see note below)		
UK corporation tax charge on profit for the year/period	1,674	989
Adjustments in respect of prior periods	20	(54)
Total current tax	1,694	935
Deferred tax		
Origination and reversal of timing differences	591	37
Adjustments in respect of prior periods	(16)	19
Total deferred tax (see note 18)	575	56
Tax on profit on ordinary activities	2,269	991

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.83% (2014 - 22.67%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	10,757	4,803
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.83% (2014 - 22.67%)	2,241	1,089
Effects of:		
Fixed asset differences	31	39
Expenses not deductible for tax purposes	6	92
Capital allowances for year/period in excess of depreciation	(614)	(233)
Adjustments to brought forward values	(2)	-
Adjustments to tax charge in respect of prior periods	20	(54)
Unrelieved tax losses carried forward	10	-
Other short term timing differences	2	2
Current tax charge for the year/period (see note above)	1,694	935

10. Dividends

	2015 £000	2014 £000
Dividends paid on ordinary share capital	850	855

Notes to the financial statements
For the year ended 31 May 2015

11. Intangible fixed assets

Group	**Goodwill £000**
Cost	
At 1 June 2014 and 31 May 2015	**168**
Amortisation	
At 1 June 2014 and 31 May 2015	**168**
Net book value	
At 31 May 2015	**-**
At 31 May 2014	-

Company	**Goodwill £000**
Cost	
At 1 June 2014 and 31 May 2015	**168**
Amortisation	
At 1 June 2014 and 31 May 2015	**168**
Net book value	
At 31 May 2015	**-**
At 31 May 2014	-

Notes to the financial statements

For the year ended 31 May 2015

12. Tangible fixed assets

Group	Freehold property £000	Leasehold property £000	Plant & machinery £000	Motor vehicles £000	Fixtures & fittings £000	Total £000
Cost or valuation						
At 1 June 2014	**4,552**	**8,543**	**26,514**	**533**	**1,025**	**41,167**
Additions	**1,346**	**1,399**	**15,267**	**332**	**193**	**18,537**
Disposals	-	-	**(1,050)**	**(88)**	-	**(1,138)**
At 31 May 2015	**5,898**	**9,942**	**40,731**	**777**	**1,218**	**58,566**
Depreciation						
At 1 June 2014	-	**1,190**	**12,543**	**162**	**741**	**14,636**
Charge for the year	-	**652**	**2,458**	**95**	**129**	**3,334**
On disposals	-	-	**(678)**	**(55)**	-	**(733)**
At 31 May 2015	-	**1,842**	**14,323**	**202**	**870**	**17,237**
Net book value						
At 31 May 2015	**5,898**	**8,100**	**26,408**	**575**	**348**	**41,329**
At 31 May 2014	4,552	7,353	13,971	371	284	26,531

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Group	2015 £000	2014 £000
Plant and machinery	**19,745**	12,452
Motor vehicles	**514**	288
	20,259	12,740

Depreciation charge in the year for assets under finance lease or hire purchase totalled £1,810,000 (2014: £817,000) for plant and machinery and £79,000 (2014: £41,000) for motor vehicles.

Group and company

A full valuation was performed on the landfill sites included within freehold and leasehold property on November 2013 by Savills (L&P) Limited, on the basis of market value. The valuations totalled £8.54m.

The valuation was included within the financial statements for the year ended 31 May 2013 and the directors believe this valuation is not materially different to that which would have existed at that date.

No further valuations have been undertaken and no revaluation adjustments have been recognised for the year ended 31 May 2015.

12. Tangible fixed assets (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

Group	2015 £000	2014 £000
Cost	**12,335**	9,590
Accumulated depreciation	**-**	-
Net book value	**12,335**	9,590

Notes to the financial statements

For the year ended 31 May 2015

12 Tangible fixed assets (continued)

Company	Freehold property £000	Leasehold property £000	Plant & machinery £000	Motor vehicles £000	Fixtures & fittings £000
Cost or valuation					
At 1 June 2014	4,552	8,543	25,272	533	1,020
Additions	1,346	1,399	14,413	332	193
Disposals	-	-	(1,050)	(88)	-
At 31 May 2015	5,898	9,942	38,635	777	1,213
Depreciation					
At 1 June 2014	-	1,190	12,395	162	739
Charge for the year	-	652	2,302	94	128
On disposals	-	-	(678)	(55)	-
At 31 May 2015	-	1,842	14,019	201	867
Net book value					
At 31 May 2015	5,898	8,100	24,616	576	346
At 31 May 2014	4,552	7,353	12,877	371	281

Company	Total £000
Cost or valuation	
At 1 June 2014	39,920
Additions	17,683
Disposals	(1,138)
At 31 May 2015	56,465
Depreciation	
At 1 June 2014	14,486
Charge for the year	3,176
On disposals	(733)
At 31 May 2015	16,929
Net book value	
At 31 May 2015	39,536
At 31 May 2014	25,434

12. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Company	2015 £000	2014 £000
Plant and machinery	18,588	11,519
Motor vehicles	514	288
	19,102	11,807

Depreciation charge in the year for assets under finance lease or hire purchase totalled £1,702,000 (2014 - £712,000) for plant and machinery and £79,000 (2014 - £41,000) for motor vehicles.

Notes to the financial statements
For the year ended 31 May 2015

13. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Mick George Concrete Limited	Ordinary	100%
Mick George Mini Limited	Ordinary	50%

Name	Business
Mick George Concrete Limited	Manufacture and supply of concrete
Mick George Mini Limited	Supply of mini aggregate loads

The aggregate of the share capital and reserves as at 31 May 2015 and of the profit or loss for the year/period ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Mick George Concrete Limited	291	278
Mick George Mini Limited	(58)	(58)

14. Stocks

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Stock of aggregates	1,025	1,052	951	1,017
Other consumables	212	290	190	281
	1,237	1,342	1,141	1,298

Notes to the financial statements
For the year ended 31 May 2015

15. Debtors

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Due after more than one year				
Other debtors	**132**	132	**132**	132
Net investment in finance leases	**137**	210	**-**	-
Due within one year				
Trade debtors	**13,066**	8,800	**11,205**	7,746
Amounts owed by group undertakings	**-**	-	**1,160**	353
Net investment in finance leases	**69**	69	**-**	-
Other debtors	**960**	958	**960**	956
Prepayments and accrued income	**2,107**	2,265	**2,072**	2,240
Amounts recoverable on long term contracts	**3,335**	1,456	**3,335**	1,456
	19,806	13,890	**18,864**	12,883

Included within other debtors due within one year are loans to Directors. These have been disclosed within note 23.

Net investment in finance leases

Net investment in finance leases comprises:

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Total amounts receivable	**224**	315	**-**	-
Less: Interest allocated to future periods	**(18)**	(36)	**-**	-
Total	**206**	279	**-**	-

Rentals receivable during the year under finance leases amounted to £106,000 (2014 - £99,000). The cost of assets held for onwards finance leasing was £366,000 (2014 - £366,000).

Notes to the financial statements

For the year ended 31 May 2015

16. Creditors:
Amounts falling due within one year

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Bank loans and overdrafts	**9,287**	6,628	**8,634**	5,956
Net obligations under finance leases and hire purchase contracts	**4,850**	2,385	**4,388**	1,981
Trade creditors	**7,994**	5,856	**7,159**	5,400
Corporation tax	**874**	959	**823**	957
Other taxation and social security	**2,614**	3,229	**2,461**	3,114
Other creditors	**114**	199	**86**	184
Accruals and deferred income	**1,754**	1,531	**1,669**	1,428
	27,487	20,787	**25,220**	19,020

The bank overdraft and loans are secured by a charge over the company's land and buildings and by a fixed and floating charge over book debts and fixed assets. The interest rates for the bank loans are 2.75% above base rate and 2.5% above base and the loan is repayable by instalments.

Amounts due under finance leases and hire purchase agreements are secured upon the assets to which they relate.

17. Creditors:
Amounts falling due after more than one year

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Bank loans	**2,262**	2,495	**2,262**	2,495
Net obligations under finance leases and hire purchase contracts	**8,300**	2,441	**8,001**	2,017
	10,562	4,936	**10,263**	4,512

Included within the above are amounts falling due as follows:

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Between one and two years				
Bank loans	**2,262**	271	**2,262**	271
Between two and five years				
Bank loans	**-**	2,224	**-**	2,224

Notes to the financial statements

For the year ended 31 May 2015

17. Creditors: Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Between one and five years	**8,300**	2,441	**8,001**	2,017

The bank overdraft and loans are secured by a charge over the company's land and buildings and by a fixed and floating charge over book debts and fixed assets.

18. Deferred taxation

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
At beginning of year/period	**1,403**	1,347	**1,369**	1,336
Charge for the year (P&L)	**575**	56	**551**	33
At end of year/period	**1,978**	1,403	**1,920**	1,369

The provision for deferred taxation is made up as follows:

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Excess of taxation allowances over depreciation on fixed assets	**1,981**	1,403	**1,923**	1,369
Short term timing differences	**(3)**	-	**(3)**	-
	1,978	1,403	**1,920**	1,369

Notes to the financial statements

For the year ended 31 May 2015

19. Provisions

Group	Onerous lease £000
Additions	43
At 31 May 2015	43

Onerous lease

Post year end one property was no longer utilised by the group and company. An onerous lease provision has been included for the period up to the break clause.

Company	Onerous lease £000
Additions	43
At 31 May 2015	43

Onerous lease

See description above for onerous lease for group.

20. Commitments

At 31 May 2015 the group and company were committed to making annual minimum royalty payments under mineral extraction agreements as follows:

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Contracted for but not provided in these financial statements	**930**	664	**-**	-

The company also had a commitment for new hire purchase agreements of nil (2014: £23,000).

Notes to the financial statements

For the year ended 31 May 2015

21. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £102,000 (2014 - £32,000). Contributions totalling £13,000 (2014 - £10,000), which includes both employer and employee contributions, were payable to the fund at the balance sheet date and are included in creditors.

22. Operating lease commitments

At 31 May 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	**2015**	2014
Group and Company	**£000**	£000	**£000**	£000
Expiry date:				
Within 1 year	**22**	22	**76**	-
Between 2 and 5 years	**188**	188	**1,299**	1,189
After more than 5 years	**396**	396	**-**	-

23. Contingent liabilities

During the year, Mick George Limited has provided a guarantee to Barclays Bank Plc in respect of the debts of its subsidiary Mick George Concrete Limited. As at 31 May 2015, Mick George Concrete Limited had obligations in respect of an invoice discounting facility of £653,000 owing to Barclays Bank Plc (2014 - £672,000).

Notes to the financial statements

For the year ended 31 May 2015

24. Related party transactions

During the year the company was charged rent of £138,000 (2014 - £138,000) by the Mick George pension trust. The balance outstanding at the year end was £81,000 (2014 - £75,000) which is included within trade debtors.

During the year Mick George Limited incurred costs totalling £203,000 (2014 - £75,000) on behalf of Houghton Hall Equestrian Centre, a company owned by Mick George, a director. These costs have been recharged to Houghton Hall Equestrian Centre. £444,000 was due from Houghton Hall Equestrian Centre at the year end (2014 - £241,000).

Dividends totalling £850,000 (2014 - £855,000) were paid during the year to directors who are shareholders.

Notes to the financial statements

For the year ended 31 May 2015

24. Related party transactions (continued)

Included within other debtors are amounts receivable from directors as follows:

	2015	2014
	£000	£000
M E George	470	637
G Craven	-	20
J Stump	-	34
P D Newman	-	-
N G Johnson	4	18
M A George	3	(1)

These balances arise from net advances to the directors during the year. There is no interest attributable to directors loan accounts.

25. Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
1,000 Ordinary voting shares of £1 each	-	1,000
750 A Ordinary shares shares of £1 each	750	-
50 B Ordinary shares shares of £1 each	50	-
50 C Ordinary shares shares of £1 each	50	-
50 D Ordinary shares shares of £1 each	50	-
50 E Ordinary shares shares of £1 each	50	-
50 F Ordinary shares shares of £1 each	50	-
	1,000	1,000

On 29 May 2015 1,000 Ordinary shares were redesignated as 750 A Ordinary shares, 50 B Ordinary shares, 50 C Ordinary shares, 50 D Ordinary shares, 50 E Ordinary shares and 50 F Ordinary shares.

The share classes rank pari passu in all respects save that dividends may be awarded to any class of share to the exclusion of some, or all other classes of shares and at varying dividend rates.

Notes to the financial statements
For the year ended 31 May 2015

26. Reserves

Group	Revaluation reserve £000	Profit and loss account £000
At 1 June 2014	4,965	10,261
Profit for the financial year	-	8,505
Dividends: Equity capital	-	(850)
At 31 May 2015	4,965	17,916

Company	Revaluation reserve £000	Profit and loss account £000
At 1 June 2014	4,965	10,256
Profit for the financial year	-	8,242
Dividends: Equity capital	-	(850)
At 31 May 2015	4,965	17,648

Notes to the financial statements

For the year ended 31 May 2015

27. Reconciliation of movement in shareholders' funds

Group	2015 £000	2014 £000
Opening shareholders' funds	**15,227**	12,258
Profit for the financial year/period	**8,505**	3,824
Dividends (Note 10)	**(850)**	(855)
Closing shareholders' funds	**22,882**	15,227

Company	2015 £000	2014 £000
Opening shareholders' funds	**15,222**	12,306
Profit for the financial year/period	**8,242**	3,771
Dividends (Note 10)	**(850)**	(855)
Closing shareholders' funds	**22,614**	15,222

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year dealt with in the accounts of the company was £8,242,000 (2014 - £3,771,000).

28. Net cash flow from operating activities

	2015 £000	2014 £000
Operating profit	**11,380**	5,334
Amortisation of intangible fixed assets	**-**	26
Depreciation of tangible fixed assets	**3,334**	2,660
(Profit)/loss on disposal of tangible fixed assets	**(14)**	62
Decrease/(increase) in stocks	**106**	(179)
Increase in debtors	**(6,765)**	(2,368)
Increase/(decrease) in creditors	**1,659**	(247)
Increase in provisions	**43**	-
Net cash inflow from operating activities	**9,743**	5,288

Notes to the financial statements

For the year ended 31 May 2015

29. Analysis of cash flows for headings netted in cash flow statement

	2015	2014
	£000	£000
Returns on investments and servicing of finance		
Interest received	-	10
Interest paid	(300)	(307)
Hire purchase interest	(323)	(235)
Net cash outflow from returns on investments and servicing of finance	(623)	(532)

	2015	2014
	£000	£000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(6,813)	(2,090)
Sale of tangible fixed assets	269	394
Net cash outflow from capital expenditure	(6,544)	(1,696)

	2015	2014
	£000	£000
Financing		
New secured loans	2,700	1,500
Repayment of loan	(1,386)	-
Repayment of loans	-	(618)
Repayment of finance leases	(3,250)	(3,532)
Net cash outflow from financing	(1,936)	(2,650)

Notes to the financial statements
For the year ended 31 May 2015

30. Analysis of changes in net debt

	1 June 2014	Cash flow	Other non-cash changes	31 May 2015
	£000	£000	£000	£000
Cash at bank and in hand	578	(27)	-	551
Bank overdraft	(5,204)	(1,112)	-	(6,316)
	(4,626)	(1,139)	-	(5,765)
Debt:				
Finance leases	(4,826)	3,250	(11,574)	(13,150)
Debts due within one year	(1,424)	(1,314)	(233)	(2,971)
Debts falling due after more than one year	(2,495)	-	233	(2,262)
Net debt	(13,371)	797	(11,574)	(24,148)

31. Major non-cash transactions

During the year, the company entered into finance leases and hire purchase agreements in respect of assets with a total capital value at the inception of the lease of £11,574,000 (2014 - £3,503,000).

32. Controlling party

The company is controlled by Mr M E George, by virtue of his shareholdings.

33. Minority interests

Equity	£000
At 1 June 2014	(12)
Proportion of profit/(loss) after taxation for the year	(17)
At 31 May 2015	(29)

34. Acquisitions

On 12 June 2015, Mick George Limited acquired some of the trade and assets of Recycle Force Limited relating to their multi-collection trade waste service for £495,000. Net assets on acquisition were £45,000, and goodwill arising on the acquisition of £450,000.