

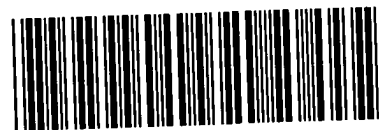
Van Elle Limited

Financial Statements

Year ended 30 April 2019

Company Number: 2590521

WEDNESDAY



A8H6AWFD

A06

30/10/2019

#382

COMPANIES HOUSE

Contents

3	Strategic report
5	Directors' report
7	Independent auditor's report
10	Statement of comprehensive income
11	Statement of financial position
12	Statement of cash flows
13	Statement of changes in equity
14	Notes forming part of the financial statements

Country of incorporation

United Kingdom

Legal form

Private limited company

Directors

M Cutler (appointed 2 October 2018)
J M Fenton (resigned 18 May 2018)
M Mason
C Bosworth

Company Secretary:

D Cafferkey (resigned 25 July 2018)
P M Pearson (appointed 25 July 2018)

Registered office

Southwell Lane Industrial Estate, Summit Close, Kirkby-In-Ashfield, Nottinghamshire, NG17 8GJ.

Company number

2590521

Auditor

BDO LLP, Regent House, Clinton Avenue, Nottingham, NG5 1AZ

Banker

Lloyds Bank PLC, 33 Park Row, Butt Dyke House, Nottingham, NG1 6GY

Strategic report

The directors present their Strategic Report for the year ended 30 April 2019.

Principal activities

The Company is principally engaged in providing a wide range of geotechnical ground engineering techniques and services to customers in a variety of UK construction end markets.

Business review

This year has been a challenging year amidst a general slowdown in construction activity and uncertainties around investment decisions and project starts. Current year performance has been impacted by this and by operational weaknesses in the General Piling division in Q3. Overall the Company saw a 14.8% decline in revenue during the year, with turnover falling to £88.5m (2018: £103.9m). Underlying operating profit was £5.2m (2018: £11.1m), with an underlying operating margin of 5.9% (2018: 10.7%). Reportable operating profit was £4.6m (2018: £9.7m) at an operating margin of 5.2% (2018: 9.3%).

We have undertaken a thorough review of operations and are implementing a three-phase transition plan with the aim of improving operational performance and establishing a platform for growth. Significant progress has been made under phase one, supported by a strengthened leadership team, including streamlining the divisional structure, improving engagement with strategic customers, and strengthening performance review and commercial processes across the business. Part of the streamlining of the Company has seen the number of operating units reduced from eight to five within three operating divisions and the integration of all staff previously spread across four separate offices into a single co-located office in Kirkby-in-Ashfield.

Strategic Approach

The Company remains a leader in the UK geotechnical engineering services market and our strategy is predicated on simultaneously enhancing the performance and profitability of the business through a range of business improvement activities and accelerating growth by increasing our market share in our targeted sectors, maximising our integrated solutions offering, broadening our range of products and services and extending our geographical footprint into high growth markets across the UK.

Our diversified business model continues to be focussed on mid-sized projects across three core markets, being Housebuilding, Infrastructure and Industrial & Commercial, and which are supported by favourable long-term trends and where Van Elle's range of services are of critical importance.

Trading performance

During the year the business experienced operational weaknesses in General Piling which were addressed by operational review and management changes in late 2018.

In terms of performance, revenue reduced by 14.8% to £88.5m (2018: £103.9m) against a backdrop of challenging market conditions. Underlying operating profit was £5.2m (2018: £11.1m), with an underlying operating margin of 5.9% (2018: 10.7%).

In terms of our performance in the end markets, sales to the housebuilding sector fell 25.2% to £38.8m (2018: £51.9m) and sales to the infrastructure sector fell 14.4% to £27.7m (2018: £32.3m). Sales to the commercial and industrial sector increased by 25.5% to £20.5m (2018: £16.4m).

Following substantial recent investment, rig investment in the year has been modest with no new rigs procured but instead the business has concentrated on actions required to improve utilisation, reliability and self-build of new VSC rigs, the benefits of which will be seen in next year.

Operating performance

Revenue reduced by 14.8% to £88.5m compared to FY18 (£103.9m) against a backdrop of challenging market conditions. Following the business streamlining we report our operating performance in three segments rather than the previous four. This better reflects our streamlined divisional structure

General Piling revenue contracted by 15.6% in the year to £37.2m (2018: £44.1m), suffering from the uncertainties in the markets for the reasons described above. Weaker than anticipated operational execution of contracts, particularly in Q3, further compounded performance. Actions were taken to resolve the issues, which included a change of divisional leadership just after year-end.

Specialist Piling revenue was 24.9% lower at £28.6m (2018: £38.1m). Approximately £4.5m of this reduction reflects the decision to cease exposure to lump sum drill & grout activities following poor margins from works delivered in 2018. The remaining reduction in revenue reflects the impact of lower levels of confidence and demand in our end markets, particularly in the infrastructure sector. Rail-specific revenues fell by 10.9% over the year, with major electrification programmes coming to an end and reduced spend towards the end of the current funding period CP5 and ahead of the start of CP6, which is expected to see renewed momentum in spend.

Ground Engineering Services revenues of £22.6m represented a 4.6% increase on the prior year (2018: £21.6m). Our Integrated piling and Smartfoot® foundation beam sales to the housebuilders increased by £1.8m (9.8%). We delivered our first contract with our new, first in class VeMog, which provides on-track site investigation capabilities to the rail infrastructure.

Outlook

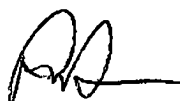
Despite the uncertain market conditions and impact on investment decisions due to the protracted Brexit negotiations, and a general slowdown in contract deployment, the improved customer focused approach and positive order book development underpins the Board's confidence in the prospects for the Company in the coming years. As a Board, we are mindful that market uncertainty and the resultant volatility may persist further into the new financial year.

Risk management and principal risks

The Company's objective is to minimise risks and uncertainties to the level of the market place in which it operates and achieves this through its risk management systems. Management reviews the principal risks throughout the year adopting an integrated approach to risk management by regular discussion. In addition, once a year there is a formal assessment of risks as required by the parent company.

The risks and uncertainties affecting the Company are consistent with the Group and full details are disclosed in the Parent Company's financial statements.

On behalf of the Board



P M Pearson
Director
18 October 2019

Directors' report

The directors present their Directors' Report together with the financial statements for the year ended 30 April 2019.

Results and dividends

The statement of comprehensive income for the year ended 30 April 2019 is set out on page 10 and shows the result for the year.

An interim dividend of £nil (2018: £nil) was paid to the parent company during the year. The directors do not recommend the payment of a final dividend (2018: £nil).

Directors

The directors of the company during the year were:

M Cutler (appointed 2 October 2018)
J M Fenton (resigned 18 May 2018)
M Mason
C Bosworth

Company Secretary:
D Cafferkey (resigned 25 July 2018)
P M Pearson (appointed 25 July 2018)

Directors' indemnities

The Company has directors' and officers' indemnity insurance in place in respect of each of the Directors.

Directors' responsibilities

The directors are responsible for preparing the 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company

Directors' report (continued)

and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Company's financial instruments comprise cash, fixed-rate loans, obligations under finance leases and various items such as receivables and payables which arise from its operations.

The main financial risks faced by the Company are liquidity risk, credit risk and market risk (which includes interest rate risk). Currently, the Company only operates in the UK and only transacts in Sterling. It is therefore not exposed to any foreign currency exchange risk. The Board regularly reviews and agrees policies for managing each of these risks.

Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



P M Pearson
Director
18 October 2019

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF VAN ELLE LIMITED

Opinion

We have audited the financial statements of Van Elle Limited ("the Company") for the year ended 30 April 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic report and Directors' 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.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF VAN ELLE LIMITED (continued)

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

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

Responsibilities of Directors

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

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

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF VAN ELLE LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements

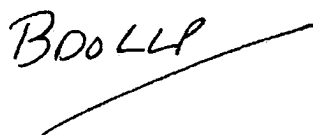
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Gareth Singleton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Nottingham, UK

25 October 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of comprehensive income

For the year ended 30 April 2019

	Note	2019 £'000	2018 £'000
Revenue		88,468	103,872
Cost of sales		(60,281)	(69,480)
Gross profit		28,187	34,392
Administrative expenses		(23,625)	(24,682)
Operating profit	7	4,562	9,710
Operating profit before share-based payments, Carillion bad debt write-off and exceptional costs		5,244	11,097
Share-based payment expense	22	(123)	(148)
Carillion bad debt write-off	6	-	(956)
Exceptional costs	6	(559)	(283)
Operating profit	7	4,562	9,710
Finance expense	9	(579)	(561)
Finance income	9	52	25
Profit before tax		4,035	9,174
Income tax expense	10	(865)	(1,791)
Total comprehensive income for the year		3,170	7,383

All amounts relate to continuing operations. There was no other comprehensive income in either the current or preceding year.

The notes on pages 14 to 43 form part of these financial statements.


Statement of financial position

As at 30 April 2019

	Note	2019 £'000	2018 £'000
Non-current assets			
Property, plant and equipment	11	38,486	39,502
Intangible assets	12	110	145
Investments	13	73	73
		38,669	39,720
Current assets			
Inventories	14	2,882	2,565
Trade and other receivables	15	20,558	22,225
Corporation tax receivable		118	-
Cash and cash equivalents		7,997	10,880
		31,555	35,670
Total assets		70,224	75,390
Current liabilities			
Trade and other payables	16	20,537	24,026
Loans and borrowings	17	4,695	5,580
Provisions	19	236	270
Corporation tax payable		-	709
		25,468	30,585
Non-current liabilities			
Loans and borrowings	17	7,534	11,205
Deferred tax	20	1,298	969
		8,832	12,174
Total liabilities		34,300	42,759
Net assets		35,924	32,631
Equity			
Share capital	21	2	2
Retained earnings		35,922	32,629
Total equity		35,924	32,631

The notes on pages 14 to 43 form part of these financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 18 October 2019 and were signed on its behalf by:



P M Pearson
Director

Statement of cash flows

For the year ended 30 April 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities			
Cash generated from operations	24	6,823	10,724
Interest received		52	25
Interest paid		(579)	(561)
Income tax paid		(1,366)	(1,768)
Net cash generated from operating activities		4,930	8,420
Cash flows from investing activities			
Purchases of property, plant and equipment		(2,390)	(5,015)
Disposal of property, plant and equipment		393	321
Purchases of intangibles		(10)	(38)
Net cash absorbed in investing activities		(2,007)	(4,732)
Cash flows from financing activities			
Repayment of bank borrowings		(150)	(150)
Repayments of Invest to Grow loan		(95)	(95)
Payments to finance lease creditors		(5,561)	(5,421)
Net cash generated/(absorbed) in financing activities		(5,806)	(5,666)
Net increase in cash and cash equivalents		(2,883)	(1,978)
Cash and cash equivalents at beginning of year		10,880	12,858
Cash and cash equivalents at end of year	25	7,997	10,880

The notes on pages 14 to 43 form part of these financial statements.

Statement of changes in equity

For the year ended 30 April 2019

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2017	2	25,021	25,023
Total comprehensive income	-	7,383	7,383
Share-based payment expense	-	225	225
	-	7,608	7,608
Balance at 30 April 2018	2	32,629	32,631
Total comprehensive income	-	3,170	3,170
Share-based payment expense	-	123	123
	-	3,293	3,293
Balance at 30 April 2019	2	35,922	35,924

The notes on pages 14 to 43 form part of these financial statements.

Notes to the financial statements

For the year ended 30 April 2019

1. General information

The financial statements present the results of Van Elle Limited for the year ended 30 April 2019.

Van Elle Limited is a private company incorporated and domiciled in the UK under the Companies Act 2006. The principal activity of the Company is a geotechnical contractor offering a wide range of ground engineering techniques and services including site investigation; driven, bored, drilled and augered piling; and ground stabilisation services. The Company also develops, manufactures and installs precast concrete products for use in specialist foundation applications.

The address of the Company's registered office is Southwell Lane Industrial Estate, Summit Close, Kirkby-In-Ashfield, Nottinghamshire, NG17 8GJ.

2. Basis of preparation

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS"), International Financial Reporting Standards Interpretation Committee ("IFRS IC") interpretations and those provisions of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on the going concern basis and adopting the historical cost convention.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates, which are outlined in the critical accounting estimates and judgements section disclosed in note 4.

The financial statements are presented in Sterling, which is also the Company's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors regard the foreseeable future as no less than 12 months following publication of its annual financial statement. The Directors have considered the Company's working capital forecasts and projections, taking account of reasonably possible changes in trading performance and the current state of its operating market, and are satisfied that the Company should be able to operate within the level of its current facilities and in compliance with covenants arising from those facilities. Accordingly, they have adopted the going concern basis in preparing the financial information.

Notes to the financial statements

For the year ended 30 April 2019

2. Basis of preparation (continued)

Underlying profit before tax and earnings

The Directors consider that underlying operating profit and underlying profit before taxation referred to in these financial statements provide useful information for shareholders on underlying trends and performance. Underlying measures reflect adjustments adding back the exceptional costs, share-based payment charges and the taxation thereon where relevant.

Adoption of new and revised standards

New standards, interpretations and amendments effective from 1 May 2018

IFRS 9 Financial Instruments

The Company has initially adopted IFRS 9 Financial Instruments from 1 May 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items.

The most significant area of change which impacted the Company's reported results is the introduction of an "expected loss" model for impairment provisioning, which now also includes contract assets recognised under the adoption of IFRS 15 Revenue from Contracts with Customers.

Based on an assessment of historical credit losses and the likelihood of the occurrence of future credit losses on existing financial assets, the Directors consider that there are no further material impairment losses to be recognised against the Company's financial assets as a result of the transition to IFRS 9.

In line with the below amended accounting policy, the financial assets and liabilities held by the Company at 30 April 2019 are classified at amortised cost under IFRS 9 which is in line with treatment under IAS 39. As the basis of measurement has not changed there have been no changes to the carrying amount of the financial instruments as a result of the transition from IAS 39 to IFRS 9. In addition, there have been no modifications to loans that have to be reconsidered as a result of adopting IFRS 9.

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Company's adoption of IFRS 9 Financial Instruments are set out below:

FY18 Accounting Policy

Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity.

The Company's accounting policy for each category is as follows:

Fair value through profit or loss

The Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Loans and receivables

These arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value

Notes to the financial statements

For the year ended 30 April 2019

2. Basis of preparation (continued)

plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the customer or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable and for trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and, for the statement of cash flows, bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

The Company's accounting policy for each category is as follows:

Fair value through profit or loss

The Company does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities

Other financial liabilities include the following items:

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Amended accounting policy

On initial recognition, a financial asset is classified as measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value Through Profit or Loss ("FVTPL"). Financial liabilities are measured at amortised cost or FVTPL.

Notes to the financial statements

For the year ended 30 April 2019

2. Basis of preparation (continued)

The classification of financial assets is based on the way a financial asset is managed and its contractual cash flow characteristics.

Financial assets are measured at amortised cost if both of the following conditions are met and the financial asset or liability is not designated as at FVTPL:

- the financial asset is held with the objective of collecting or remitting contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held with the objectives of collecting contractual cash flows and selling the financial asset; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

The Company's principal financial instruments comprise cash and cash equivalents, trade receivables, trade payables and interest bearing borrowings. Based on the way these financial instruments are managed and their contractual cash flow characteristics, all the Company's financial instruments are measured at amortised cost using the effective interest method.

The amortised cost of financial assets is reduced by impairment losses as described below. Interest income, foreign exchange gains and losses, impairments and gains or losses on derecognition are recognised through the Statement of Comprehensive Income

Trade receivables, and trade payables are held at their original invoiced value, as the interest that would be recognised from discounting future cash flows over the short credit period is not considered to be material.

Cash equivalents comprise short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short term. Cash and cash equivalents do not include other financial assets.

Impairment losses against financial assets carried at amortised cost are recognised by reference to any expected credit losses against those assets. The simplified approach for calculating impairment of financial assets has been used. Lifetime expected credit losses are calculated by considering, on a discounted basis, the cash shortfalls that would be incurred in various default scenarios over the remaining lives of the assets and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

Nature of change in accounting policy

IAS 39 categories for financial assets of held to maturity and loans and receivables and available for sale. These are replaced by the categories noted in the amended accounting policy for financial instruments.

Notes to the financial statements

For the year ended 30 April 2019

2. Basis of preparation (continued)

IFRS 9 retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

Cash and cash equivalents, trade receivables, and retentions held by customers for contract work were previously classified as loans and receivables under IAS 39 and were measured at amortised cost. Trade payables and interest bearing borrowings were previously classified as "other financial liabilities" under IAS 39 and were measured at amortised cost. These financial instruments are now classified as financial assets and liabilities at amortised cost under IFRS 9.

The adoption of IFRS 9 has therefore not had any impact on the measurement of the Company's financial assets and liabilities.

IFRS 9 replaces the incurred loss model in IAS 39 with the expected credit loss model, which requires that future events are considered when calculating impairments to financial assets.

Based on an assessment of historic credit losses on the Company's financial assets and the likelihood of the occurrence of future credit losses on existing financial assets, the Directors consider that any increase in impairment provision to be recognised against the Company's financial assets on transition to IFRS 9 is immaterial.

IFRS 15 Revenue from Contracts with Customers

The Company has initially adopted IFRS 15 Revenue from Contracts with Customers from 1 May 2018 and this has not been applied retrospectively. The cumulative effect method has been used to calculate any required adjustment as at 1 May 2018. The Company has elected to apply IFRS 15 retrospectively only to contracts that are not completed contracts at the date of initial application.

For all contract modifications that occur before the date of initial application, the Company has applied the following expedient:

- for contracts that were modified before the beginning of the earliest period presented, an entity need not retrospectively restate the contract for those contract modifications in accordance with IFRS 15 paragraphs 20–21. Instead, an entity shall reflect the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented; and
- for all reporting periods presented before the date of initial application, the Company has not disclosed the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the entity expects to recognise that amount as revenue:
 - identifying the satisfied and unsatisfied performance obligations;
 - determining the transaction price; and
 - allocating the transaction price to the satisfied and unsatisfied performance obligations.

The only significant change in adopting IFRS 15 is that revenue relating to mobilisation of rig equipment to the customer site is now recognised over time. Under the previous accounting policy this revenue was recognised at the time of mobilisation. Costs relating to mobilisation under IFRS 15 are now capitalised and amortised over time at the same rate as revenue is recognised. Management has performed a detailed review of relevant contracts and calculated the required adjustments and concluded that no material transitional adjustment is required.

IFRS 15 provides a single, principles-based "five-step" model to be applied to all sales contracts, based on the transfer of control of goods and services to customers. It replaces the separate models for goods, services and construction contracts previously included in IAS 11 Construction Contracts.

The following details the amended accounting policy:

Notes to the financial statements

For the year ended 30 April 2019

2. Basis of preparation (continued)

FY18 Revenue Accounting Policy

Revenue

Turnover represents the total amounts receivable by the Company for goods supplied and services provided, excluding value added tax and trade discounts. The Company's turnover arises in the UK.

In the case of contracts, when the outcome can be assessed reliably, contract revenue is recognised by reference to the stage of completion of the contract activity at the statement of financial position date. The stage of completion of the contract at the statement of financial position date is assessed regarding the costs incurred to date as a percentage of the total expected costs.

Margin on contracts is calculated in accordance with accounting standards and industry practice. Industry practice is to assess the estimated outcome of each contract and recognise the revenue and margin based upon the stage of completion of the contract at the statement of financial position date. The assessment of the outcome of each contract is determined by regular review of the revenues and costs to complete that contract. Consistent contract review procedures are in place in respect of contract forecasting.

The gross amount receivable from customers for contract work is presented as an asset for all contracts in progress for which costs incurred, plus recognised profits (or less recognised losses), exceed progress billings.

The gross amount repayable to or paid in advance by customers for contract work is presented as a liability for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses). Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Margin associated with contract variations is only recognised when the outcome of the contract negotiations can be reliably estimated. Costs relating to contract variations are recognised as incurred. Revenue is recognised up to the level of the costs which are deemed to be recoverable under the contract.

Amended accounting policy

Revenue represents the total amounts receivable by the Company for goods supplied and services provided, excluding value added tax and trade discounts. The Company's turnover arises in the UK. In line with IFRS 15 Revenue from Contracts with Customers the Company recognises revenue based on the application of a principles-based "five-step" model. Only when the five steps are satisfied is revenue recognised.

General and Specialist Piling

The performance obligations and transaction price are defined within signed contracts between the customer and the Company. Each performance obligation represents a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer. This is classified as a series as each distinct good in the series meets the definition of a performance obligation satisfied over time and the same method would be used to measure the entity's progress towards complete satisfaction of the performance obligation as to transfer each good to the customer. Mobilisation (moving the piling

Notes to the financial statements

For the year ended 30 April 2019

rig equipment to the customer site) does not represent a separate performance.

2. Basis of preparation (continued)

obligation. Mobilisation revenue is included within the transaction price of the related performance obligation and recognised over time. The revenue for each performance obligation is recognised over time because each pile enhances an asset that the customer controls. Revenue is recognised as progress towards complete satisfaction of that performance obligation over time occurs using the output method. Progress is determined by completed pile logs.

Ground Engineering Services

For the Strata business unit, the performance obligations and transaction price are defined within signed contracts between the customer and the Company. For performance obligations where the customer does not simultaneously receive and consume the benefits (e.g. interpretative reports and testing) the work performed by the Company does not create or enhance an asset that the customer controls. Revenue for these performance obligations is recognised at a point in time (e.g. on delivery of report). Costs relating to these performance obligations are capitalised and fully amortised at the point in time when the performance obligation is fully satisfied. Contracts may also contain a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer (e.g. bore hole drilling). This is classified as a series as an asset is enhanced that the customer controls, each distinct good in the series meets the definition of a performance obligation satisfied over time and the same method would be used to measure the entity's progress towards complete satisfaction of the performance obligation as to transfer each good to the customer. The revenue for each performance obligation is recognised over time because each good enhances an asset that the customer controls. Revenue is recognised as progress towards complete satisfaction of that performance obligation over time using the output method. Progress is determined by completed logs. For the provision of services to housebuilders each performance obligation represents a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer. Mobilisation (moving the piling rig equipment to the customer site) does not represent a separate performance obligation. Mobilisation revenue is included within the transaction price of the related performance obligation and recognised over time. The revenue for each performance obligation is recognised over time because each pile enhances an asset that the customer controls. Revenue is recognised as progress towards complete satisfaction of that performance obligation over time using the output method. Progress is determined by completed pile logs.

Variable consideration

The following types of income are variable consideration and are only recognised when management determines them to be highly probable: Highly probable represents amounts the client has approved or where the Company has detailed evidence supporting the amounts recognised.

Liquidated damages ("LADs")

These are included in the contract for both parties. The customer can reduce the amount paid to the Company if it is deemed the Company has caused unnecessary delays or additional work. The Company is also able to claim LADs where it can be proved that the customer has caused unnecessary delays or disruption. The method for claiming this revenue is to include it within the application to the customer, or for the customer to include or exclude in the application certificate returned to the Company. At the point of making an application for LADs the additional revenue or the reduction in revenue is only recognised when it is highly probable that it will occur.

Nature of change in accounting policy

The amended accounting policy complies with the "five-step" model required by IFRS 15.

Notes to the financial statements

For the year ended 30 April 2019

2. Basis of preparation (continued)

The Company's contracts with customers as defined under IFRS 15 correspond in almost all circumstances to construction contracts as previously defined under IAS 11 Construction Contracts. The transaction price under the amended accounting policy corresponds to the value of contract revenue as measured under the previous accounting policy.

The previous accounting policy used a percentage completion method, based on cost. The new accounting policy looks at the performance obligations within each contract type.

Under the previous accounting policy revenue relating to mobilisation was recognised at the time of mobilisation. Under IFRS 15 this is not a separate performance obligation. This revenue is now split between the different performance obligations and recognised over time. This change has not resulted in any transitional adjustments.

Under the previous accounting policy, where the outcome of a construction contract could be estimated reliably, revenue and costs were recognised by reference to the stage of completion of activity at the balance sheet date. This was normally measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs (the "cost to cost" input method).

Where the outcome of a construction contract could not be estimated reliably, contract revenue was recognised to the extent of contract costs incurred that it is probable would be recoverable. Due to the nature of the Company's contracts there is a direct correlation between costs being incurred and a series of performance obligations being satisfied. There is no financial impact associated with adopting the output method to calculate progress under IFRS 15.

Under IAS 37 variable consideration was recognised when probable. Under IFRS 15 the requirement is for revenue to be highly probable. For the Company the move from probable to highly probable does not create a material change in the timing of revenue recognition.

The amended accounting policy reflects the requirement under IFRS 15 to recognise all contract balances as contract assets or contract liabilities, other than any unconditional rights to consideration which are presented as receivables. Consequently, this has led to the creation of a new category of asset ("contract assets") within trade and other receivables and a new category of liability ("contract liabilities") within trade and other payables, which includes amounts previously held as trade receivables or payables. Both new categories include amounts previously held as trade receivables or payables on the balance sheet.

New standards, interpretations and amendments not yet effective

New standards, interpretations and amendments not yet effective

The Company has not early adopted the following new standards, amendments or interpretations that have been issued but are not yet effective:

- IFRS 16 Leases (effective 1 January 2019)
- Annual Improvements to IFRSs (2015–2017 Cycle) (effective 1 January 2019)
- IFRIC 23 Uncertainty over Income Tax Treatments (effective 1 January 2019)
- Amendments to IFRS 9: Prepayment Features with Negative Compensation (effective 1 January 2019)
- Amendments to IAS 28: Long-term interests in Associates and Joint Ventures (effective 1 January 2019)
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (effective 1 January 2019)

Notes to the financial statements

For the year ended 30 April 2019

2. Basis of preparation (continued)

- Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020)
- Amendments to IFRS 3 Business Combinations – Definition of a Business (effective 1 January 2020)
- Definition of Material – Amendments to IAS 1 and IAS 8 (effective 1 January 2020)

Adoption of IFRS 16 will result in the Company recognising right-of-use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Company does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

The standard is effective for accounting periods beginning on or after 1 January 2019, as adopted by the European Union.

The Board has decided it will apply the modified retrospective adoption method in IFRS 16, and, therefore, will only recognise leases on the balance sheet as at 1 May 2019. In addition, it has decided to measure right-of-use assets by reference to the measurement of the lease liability on that date. This will ensure there is no immediate impact to net assets on that date. At 30 April 2019 operating lease commitments amounted to £9,313,000 (see note 26), which is not expected to be materially different to the anticipated position on 30 April 2020 or the amount which is expected to be disclosed at 30 April 2020. Assuming the Company's lease commitments remain at this level, the effect of discounting those commitments is anticipated to result in right-of-use assets and lease liabilities of approximately £4,348,116 being recognised on 1 May 2019.

Instead of recognising an operating expense for its operating lease payments, the Company will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets. This will increase reported EBITDA by the amount of its current operating lease cost, which for the year ended 30 April 2019 was approximately £197,050.

3. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Revenue

Revenue represents the total amounts receivable by the Company for goods supplied and services provided, excluding value added tax and trade discounts. The Company's turnover arises in the UK. In line with IFRS 15 Revenue from Contracts with Customers the Company recognises revenue based on the application of a principles-based "five-step" model. Only when the five steps are satisfied is revenue recognised.

General and Specialist Piling

The performance obligations and transaction price are defined within signed contracts between the customer and the Company. Each performance obligation represents a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer. This is classified as a series as each distinct good in the series meets the definition of a performance obligation satisfied over time and the same method would be used to measure the entity's progress towards complete satisfaction of the performance obligation as to transfer each good to the customer. Mobilisation (moving the piling rig equipment to the customer site) does not represent a separate performance obligation. Mobilisation revenue is included within the transaction price of the related performance obligation and recognised over time. The revenue for each performance obligation is recognised over.

Notes to the financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

time because each pile enhances an asset that the customer controls. Revenue is recognised as progress towards complete satisfaction of that performance obligation over time occurs using the output method. Progress is determined by completed pile logs.

Ground Engineering Services

The performance obligations and transaction price are defined within signed contracts between the customer and the Company. Each individual service is not considered a separate performance obligation. For performance obligations where the customer does not simultaneously receive and consume the benefits (e.g. interpretative reports and testing) the work performed by the Company does not create or enhance an asset that the customer controls. Revenue for these performance obligations is recognised at a point in time (e.g. on delivery of report). Costs relating to these performance obligations are capitalised and fully amortised at the point in time when the performance obligation is fully satisfied. Contracts may also contain a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer (e.g. bore hole drilling). This is classified as a series as an asset is enhanced that the customer controls, each distinct good in the series meets the definition of a performance obligation satisfied over time and the same method would be used to measure the entity's progress towards complete satisfaction of the performance obligation as to transfer each good to the customer. The revenue for each performance obligation is recognised over time because each good enhances an asset that the customer controls. Revenue is recognised as progress towards complete satisfaction of that performance obligation over time using the output method. Progress is determined by completed logs.

Ground Engineering Products

Each performance obligation represents a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer. Mobilisation (moving the piling rig equipment to the customer site) does not represent a separate performance obligation. Mobilisation revenue is included within the transaction price of the related performance obligation and recognised over time. The revenue for each performance obligation is recognised over time because each pile enhances an asset that the customer controls. Revenue is recognised as progress towards complete satisfaction of that performance obligation over time using the output method. Progress is determined by completed pile logs. Variable consideration. The following types of income are variable consideration and are only recognised when management determines them to be highly probable:

Liquidated damages ("LADs")

These are included in the contract for both parties. The customer can reduce the amount paid to the Company if it is deemed the Company has caused unnecessary delays or additional work. The Company is also able to claim LADs where it can be proved that the customer has caused unnecessary delays or disruption. The method for claiming this revenue is to include it within the application to the customer, or for the customer to include or exclude it in the application certificate returned to the Company. At the point of making an application for LADs the additional revenue or the reduction in revenue is only recognised when it is highly probable that it will occur.

Standing time

Within the contracts a penalty charge can be made where work is delayed, and the Company assets must stand idle. These charges can be disputed by the customer where blame may not be clear. The revenue for these charges is not recognised until it is highly probable that it will be received.

Adjustments to invoiced variable consideration

Notes to the financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

Where revenue relating to variable consideration is invoiced to the customer, revenue is adjusted to remove revenue that is not highly probable. This is subsequently recognised only once it becomes highly probable.

Trade receivables

Trade receivables includes applications to the extent that there is an unconditional right to payment and the amount has been certified by the customer.

Contract assets

The recoverable amount of applications that have not been certified and other amounts that have not been applied for but represent the recoverable value of work carried out at the balance sheet date are recognised as contract assets within trade and other receivables on the balance sheet.

Contract liabilities

Any payments received in advance of completing the work are recognised within contract liabilities.

Exceptional items

The Company's Income statement separately identifies exceptional items. Such items are those that in the Directors' judgement are one off in nature or non-operating and need to be disclosed separately by their size or incidence and may include, but are not limited to, restructuring costs, acquisition-related costs and costs associated with the IPO. In determining whether an item should be disclosed as an exceptional item, the Directors consider quantitative as well as qualitative factors such as frequency, predictability of occurrence and significance. This is consistent with the way financial performance is measured by management and reported to the Board. Disclosing exceptional items separately provides an additional understanding of the performance of the Company.

Taxation

The income tax expense represents the sum of current and deferred income tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is based on taxable profits for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Notes to the financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly related to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company, and the cost of the asset can be measured reliably. All other repairs and maintenance expenditure is charged to the statement of comprehensive income during the financial period in which it is incurred.

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment and is calculated, using the straight-line method, to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Freehold buildings	-	10%-20% per annum straight line
Plant and machinery	-	8%-20% per annum straight line
Office equipment	-	10%-25% per annum straight line
Motor vehicles	-	10%-25% per annum straight line

Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of assets are determined by comparing the proceeds of disposal with the carrying value and are recognised in the statement of comprehensive income.

The Company has made changes to the useful economic lives and residual values, effective from 1 May 2018, together with an associated refinement to the allocation of subsequent expenditure between repairs and capital enhancements.

Depreciation rates and residual values – change in accounting estimate

The Company has made the following changes to the depreciation rates, effective from 1 May 2018. Depreciation is calculated for plant and machinery, using the straight-line method, to write off their carrying value, less residual values, over the expected useful economic lives of between five to twelve years. Previously the residual value was estimated to be zero, and the carrying value depreciation was calculated over an expected useful life of ten years. The change has been applied prospectively as a change in estimate and there has been no restatement of prior periods.

This change in estimates has reduced the depreciation charge reported for 2019 as follows:

	2019 £'000
Using previous depreciation rates	5,417
As reported	4,338
Variation	(1,079)

Notes to the financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

Intangible assets

Computer software

Costs incurred to acquire computer software and directly attributable costs of bringing the software into use are capitalised within intangible assets and amortised, on a straight-line basis, over the useful life of the software. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful life for computer software is five years.

Investments

Investments in subsidiary undertakings are valued at cost, being the fair value of the consideration given and including directly attributable transaction costs. The carrying value is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories are initially recognised at cost, and comprise raw materials and consumables held in storage or on project sites and work in progress. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value comprises the estimated selling price in the ordinary course of business less applicable variable selling expenses. Provision is made for obsolete, slow-moving or defective items where appropriate.

Work in progress represents amounts earned and recoverable on contracts that have not yet been charged to customers and included within revenue.

Financial assets and liabilities

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). Financial liabilities are measured at amortised cost or FVTPL.

The classification of financial assets is based on the way a financial asset is managed and its contractual cash flow characteristics.

Financial assets are measured at amortised cost if both of the following conditions are met and the financial asset or liability is not designated as at FVTPL:

- the financial asset is held with the objective of collecting or remitting contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held with the objectives of collecting contractual cash flows and selling the financial

Notes to the financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

asset; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

The Company's principal financial instruments comprise cash and cash equivalents, trade receivables, trade payables and interest bearing borrowings. Based on the way these financial instruments are managed and their contractual cash flow characteristics, all the Company's financial instruments are measured at amortised cost using the effective interest method.

The amortised cost of financial assets is reduced by impairment losses as described below. Interest income, foreign exchange gains and losses, impairments and gains or losses on derecognition are recognised through the statement of comprehensive income.

Trade receivables and trade payables are held at their original invoiced value, as the interest that would be recognised from discounting future cash flows over the short credit period is not considered to be material.

Cash equivalents comprise short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short term.

Cash and cash equivalents do not include other financial assets.

Impairment losses against financial assets carried at amortised cost are recognised by reference to any expected credit losses against those assets. The simplified approach for calculating impairment of financial assets has been used. Lifetime expected credit losses are calculated by considering, on a discounted basis, the cash shortfalls that would be incurred in various default scenarios over the remaining lives of the assets and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

Government grants

Government grants are recognised at their fair value in the statement of financial position, within deferred income, when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to revenue items are released to the statement of comprehensive income and recognised within cost of sales over the period necessary to match the grant on a systematic basis to the costs that they are intended to compensate.

Government grants relating to capital items are recognised within deferred income and released against the related depreciation charge when the completion conditions of these assets are met.

Retirement benefit cost

The Company operates a defined contribution pension scheme for the benefit of employees. The Company pays contributions to publicly or privately administered pension insurance schemes on a mandatory, contractual or voluntary basis. Contributions to defined contribution pension schemes are charged to the statement of comprehensive income in the year to which they relate.

Notes to the financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

Leased assets

Where substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the Company (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased asset and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are charged to the statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation because of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions represent management's best estimates of expenditure required to settle a present obligation at the balance sheet date, after considering the risks and uncertainties that surround the underlying event.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Company can control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds of the issue.

Notes to the financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

Share-based payments

The Company participates in two equity-settled share-based payment plans, details of which can be found in note 22 to the financial statements.

The fair value of share-based awards with non-market performance conditions is determined at the date of the grant using a Black-Scholes option pricing model. The fair value of share-based awards with market-related performance conditions is determined at the date of grant using a Monte-Carlo simulation. Share-based awards are recognised as expenses based on the Company's estimate of the shares that will eventually vest, on a straight-line basis over the vesting period, with a corresponding increase in the share option reserve.

At each statement of financial position date, the Company revises its estimates of the number of options that are expected to vest based on service and non-market performance conditions. The amount expensed is adjusted over the vesting period for changes in the estimate of the number of shares that will eventually vest. The impact of the revision of the original estimates, if any, is recognised in the statement of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves. Options with market-related performance conditions will vest based on total shareholder return against a selected group of quoted market comparators. Following the initial valuation, no adjustments are made in respect of market-based conditions at the reporting date.

4. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their estimated useful economic lives based on management's estimates of the period that the assets will generate revenue, which are periodically reviewed for appropriateness. During the year, plant and machinery estimates have been reviewed and depreciation has been rebased from ten years with nil residual value, to twelve years with 10% residual value, on a straight-line basis.

Contracts

The Company's approach to key estimates and judgements relating to construction contracts is set out in the revenue recognition policy above. The main factors considered when making those estimates and judgements include the assessment of variable income, the estimate of the recoverable value of work carried out at the balance sheet date shown under contract assets and the outcome of claims raised against the Company by customers or third parties.

In addition to the aforementioned, the Company recognises impairment provisions in respect of bad and doubtful trade debtors. The judgements and estimates necessary to calculate these provisions are based on historical experience. The simplified approach for calculating impairment of financial assets has been used. Lifetime expected credit losses are calculated by considering, on a discounted basis, the cash shortfalls that would be incurred in various default scenarios over the remaining lives of the assets and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

Notes to the financial statements (continued)

For the year ended 30 April 2019

5. Revenue

The Company has only one class of business and operates solely in the UK. No revenue was derived from the exchange of goods or services (2018: £Nil).

6. Exceptional costs

	2019 £'000	2018 £'000
Carillion bad debt write-off	-	956
Other exceptional costs	559	283
	559	1,239

Current year exceptional costs primarily relate to restructuring including redundancy and related consultancy costs as the Company was streamlined from eight to five divisions.

Also included in the year is a one-off loss of £90,000 following a settlement the Company reached with a supplier relating to non-compliant plant and machinery.

The prior year exceptional item relates to costs associated with an EGM held on 15 December 2017, and due diligence fees for an aborted acquisition.

7. Operating profit

Operating profit is stated after charging/(crediting):

	2019 £'000	2018 £'000
Depreciation of property, plant and equipment	4,291	5,705
Amortisation of intangible assets	45	44
Government grants	(9)	(9)
Operating lease expense:		
- Plant and machinery on short-term hire	2,706	3,666
- Other	211	158
Profit on disposal of property, plant and equipment	(26)	(267)
Fees payable to the Company's auditor for the audit of the Company	53	37
Fees payable to the Company's auditor for other services:		
- Taxation compliance	5	10
- Non-audit assurance services	17	16

Notes to the financial statements (continued)

For the year ended 30 April 2019

8. Staff costs

Staff costs, including Directors, are outlined below.	2019	2018
	£'000	£'000
Employee benefits expenses (including Directors):		
Wages and salaries	24,642	26,059
Social security contributions and similar taxes	2,741	3,232
Defined contribution pension cost	504	292
Share-based payments (note 22)	123	148
	28,010	29,731
Directors and key management personnel:		
Wages and salaries	1,727	1,827
Defined contribution pension cost	69	62
Share-based payments (note 22)	123	148
	1,919	2,037
Directors' remuneration:		
Wages and salaries	473	560
Defined contribution pension cost	30	26
	503	586

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the Directors of the Company, the Chief financial officer and operating unit divisional directors.

The total amount payable to the highest paid director in respect of emoluments was £197,095 (2018: £296,000). Company pension contributions of £9,180 (2018: £13,000) were made to defined contribution schemes on their behalf.

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

	2019	2018
	Number	Number
Administrative	175	173
Operative	355	402
	530	575

9. Finance income and expense

	2019	2018
	£'000	£'000
Finance income		
Interest received on bank deposits	52	25
Finance expense		
Finance leases	546	527
Loan interest	33	34
	579	561

Notes to the financial statements (continued)

For the year ended 30 April 2019

10. Income tax expense

	2019 £'000	2018 £'000
Current tax expense		
Current tax on profits for the year	537	1,647
Group relief	-	(44)
Adjustment for (over)/under provision in the prior period	(1)	(3)
Total current tax	536	1,600
Deferred tax expense		
Origination and reversal of temporary differences	329	188
Recognition of previously unrecognised deferred tax assets	-	3
Effect of decreased tax rate on opening balance	-	-
Total deferred tax	329	191
Income tax expense	865	1,791

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2019 £'000	2018 £'000
Profit before income taxes	4,541	9,174
Tax using the standard corporation tax rate of 19.0% (2018: 18.9%)	863	1,743
Adjustments for (over)/under provision in previous periods	(1)	-
Expenses not deductible for tax purposes	99	81
Short-term timing differences	-	(33)
Total income tax expense	961	1,791

During the year ended 30 April 2019, corporation tax has been calculated at 19.0% of estimated assessable profit for the year (2018: 18.9%).

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of the deferred tax at the statement of financial position date. The closing deferred tax liability at 30 April 2019 has been calculated at 17%, reflecting the tax rate at which the deferred tax is expected to be utilised in future periods.

Notes to the financial statements (continued)

For the year ended 30 April 2019

11. Property, plant and equipment

	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
Cost					
At 1 May 2017	6,250	33,447	7,311	356	47,364
Additions	537	10,881	1,652	80	13,150
Disposals	-	(1,047)	(208)	-	(1,255)
At 1 May 2018	6,787	43,281	8,755	436	59,259
Additions	356	2,574	684	24	3,638
Disposals	-	(938)	(508)	-	(1,446)
At 30 April 2019	7,143	44,917	8,931	460	61,451
Accumulated depreciation					
At 1 May 2017	432	12,143	2,480	199	15,254
Charge for the year	259	4,187	1,195	64	5,705
Disposals	-	(1,044)	(158)	-	(1,202)
At 1 May 2018	691	15,286	3,517	263	19,757
Charge for the year	283	2,684	1,280	44	4,291
Disposals	-	(743)	(340)	-	(1,083)
At 30 April 2019	974	17,227	4,457	307	22,965
Net book value					
At 30 April 2018	6,096	27,995	5,238	173	39,502
At 30 April 2019	6,169	27,690	4,474	153	38,486

The net carrying amount of property, plant and equipment includes the following amounts held under finance leases: plant and machinery £20,998,267 (2018: £21,917,906) and motor vehicles £2,114,174 (2018: £2,422,149). The depreciation charges for these assets were £2,024,671 and £420,829 (2018: £2,848,000 and £402,000) respectively.

Bank borrowings are secured on the Company's freehold land and buildings. Included within land and buildings are £511,000 (2018: £nil) of assets in the course of construction.

Notes to the financial statements (continued)

For the year ended 30 April 2019

12. Intangible assets

	Software £'000
Cost	
At 1 May 2017	183
Additions	38
At 1 May 2018	221
Additions	10
At 30 April 2019	231
Accumulated amortisation	
At 1 May 2017	32
Charge for the year	44
At 1 May 2018	76
Charge for the year	45
Disposals	-
At 30 April 2019	121
Net book value	
At 30 April 2018	145
At 30 April 2019	110

13. Investments

	2019 £'000	2018 £'000
Cost:		
At 30 April	73	73

The principal undertakings in which the Company's interest at the year end is 20% or more and are as follows:

	Class of share capital held	Proportion of share capital held	Nature of business
Subsidiary undertakings			
A & G (Steavenson) Limited	Ordinary	75%	Dormant
Dram Investments Limited	Ordinary	100%	Dormant
Van Elle 15 Limited	Ordinary	100%	Dormant

The registered office of all subsidiary undertakings is Southwell Lane Industrial Estate, Summit Close, Kirkby-In-Ashfield, Nottinghamshire, NG17 8GJ.

Notes to the financial statements (continued)

For the year ended 30 April 2019

14. Inventories

	2019 £'000	2018 £'000
Raw materials and consumables	1,875	1,430
Work in progress	1,007	1,135
	2,882	2,565

Work in progress represents amounts recoverable on contracts that have not yet been charged to customers within revenue. There were no impairment losses relating to damaged or obsolete inventories in the current or previous periods. The costs of materials recognised as an expense within cost of sales is £29,726,000 (2018: £35,725,000).

15. Trade and other receivables

	2019 £'000	2018 £'000
Trade receivables	15,296	17,411
Less: provision for impairment	(48)	-
Trade receivables – net	15,248	17,411
Receivables from related parties	-	-
Amounts owed by group undertakings	-	-
Financial assets classified as loans and receivables	15,248	17,411
Contract assets	1,771	1,693
Prepayments	2,871	3,111
Other receivables	668	10
	20,558	22,225

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

All amounts shown under receivables fall due within one year.

The Company does not hold any collateral as security over trade receivables and contract assets.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Company's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers and isolated items not deemed to be indicative of future credit losses (Carillion).

Notes to the financial statements (continued)

For the year ended 30 April 2019

15. Trade and other receivables (continued)

As at 30 April 2019 the lifetime expected loss provision for trade receivables and contract assets is as follows:

	Expected loss rate	Gross carrying amount £'000	Loss provision £'000
Current	0.0%	13,108	0
More than 30 days past due	0.1%	1,028	1
More than 60 days past due	2.5%	444	11
More than 90 days past due	5.0%	716	36
		15,296	48

Movements in the impairment allowance for trade receivables are as follows:

	2019 £'000	2018 £'000
At 1 May	-	135
Increase during the year	157	821
Receivable written off during the year as uncollectable	(109)	(956)
Unused amounts reversed	-	-
At 30 April	48	-

The movement in the impairment allowance for trade receivables has been included in the administrative expenses line in the statement of comprehensive income.

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

16. Trade and other payables

	2019 £'000	2018 £'000
Trade payables	14,517	15,672
Other payables	301	295
Accruals	617	428
Amounts owed to group undertakings	4,062	6,704
Financial liabilities measured at amortised cost	19,497	23,099
Contract liabilities	291	174
Tax and social security payments	749	753
	20,537	24,026

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

Notes to the financial statements (continued)

For the year ended 30 April 2019

17. Loans and borrowings

	2019 £'000	2018 £'000
Non-current		
Bank loans secured	825	975
Other loans secured	-	12
Finance leases (note 26)	6,709	10,218
	7,534	11,205
Current		
Bank loans secured	150	150
Other loans secured	15	97
Finance leases (note 26)	4,530	5,333
	4,695	5,580
Total loans and borrowings	12,229	16,785
Maturity of loans and borrowings		
Due within one year	4,695	5,580
Between two and five years	7,534	11,205
After more than five years	-	-
	12,229	16,785

The carrying value of loans and borrowings approximates to fair value.

The loans are secured against specific freehold land and buildings and interest is paid at LIBOR plus 2.25% per annum and the finance leases are secured against the specific assets subject to the lease.

The Company has a £3m overdraft facility in place, currently unutilised, which is subject to annual review.

18. Financial instruments and risk management

The Company's financial instruments comprise cash, fixed-rate loans, obligations under finance leases and various items such as receivables and payables which arise from its operations.

The carrying amounts of all the Company's financial instruments are measured at amortised cost in the financial statements.

Financial instruments by category

	Amortised cost 2019 £'000	2018 £'000
Financial assets		
Cash and cash equivalents	7,997	10,880
Trade and other receivables	15,248	17,411
Total financial assets	23,245	28,291

Notes to the financial statements (continued)

For the year ended 30 April 2019

18. Financial instruments and risk management (continued)

	Amortised cost	
	2019	2018
	£'000	£'000
Current financial liabilities		
Trade and other payables	19,497	23,099
Secured loans	165	247
Finance lease obligations	4,530	5,333
Total current financial liabilities	24,192	28,679
Non-current financial liabilities		
Secured loans	825	987
Finance lease obligations	6,709	10,218
Total non-current financial liabilities	7,534	11,205
Total financial liabilities	31,726	39,884

Capital management

The Company's capital structure is kept under constant review, taking account of the need for, availability and cost of various sources of finance. The capital structure of the Company consists of net debt, as shown in note 25, and equity attributable to equity holders of the parent. The Company maintains a balance between certainty of funding and a flexible, cost-effective financing structure with all main borrowings being from committed facilities. The Company's policy continues to ensure that its capital structure is appropriate to support this balance and the Company's operations. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Financial risk management

The Company's objectives when managing finance and capital are to safeguard the Company's ability to continue as a going concern, to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

The main financial risks faced by the Company are liquidity risk, credit risk and market risk (which includes interest rate risk). Currently, the Company only operates in the UK and only transacts in Sterling. It is therefore not exposed to any foreign currency exchange risk. The Board regularly reviews and agrees policies for managing each of these risks.

Credit risk

The Company's financial assets are trade and other receivables and bank and cash balances. These represent the Company's maximum exposure to credit risk in relation to financial assets.

Notes to the financial statements (continued)

For the year ended 30 April 2019

18. Financial instruments and risk management (continued)

Credit risk (continued)

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. It is Company policy to assess the credit risk of all existing and new customers on a contract-by-contract basis before entering contracts. The Board has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank references. Total contract limits are established for each customer, which represent the maximum exposure permissible without requiring approval from the Board.

The counterparty risk on bank and cash balances is managed by limiting the aggregate amount of exposure to any one institution by reference to their credit rating and by regular review of these ratings. The Board regularly reviews the credit rating of the banks where funds are deposited ensuring that only the highest rated banks are utilised.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due and managing its working capital, debt and cash balances.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 90 days. The Company also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on its long-term borrowings. This is further discussed in the "market risk" section below.

The Board receives rolling three-month cash flow projections on a weekly basis. At the end of the financial year, these projections indicated that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down on its agreed £3,000,000 overdraft facility.

The following table sets out the undiscounted contractual payments and maturities (including future interest charges) of financial liabilities:

	Carrying value	Total	Due less than 3 months	Due between 3 and 12 months	Due within 1 to 5 years
	£'000	£'000	£'000	£'000	£'000
At 30 April 2019					
Trade and other payables	19,497	19,497	14,486	5,011	-
Secured loans	990	1,031	61	133	837
Finance lease obligations (note 26)	11,239	12,264	1,345	3,619	7,300
	31,726	32,792	15,892	8,763	8,137
At 30 April 2018					
Trade and other payables	23,099	23,099	15,672	7,427	-
Secured loans	1,234	1,295	70	207	1,018
Finance lease obligations (note 26)	15,551	17,031	1,459	4,377	11,195
	39,884	41,425	17,201	12,011	12,213

Notes to the financial statements (continued)

For the year ended 30 April 2019

18. Financial instruments and risk management (continued)

Market risk – interest rate risk

It is currently Company policy that 100% of external Company borrowings (excluding short-term overdraft facilities) are fixed-rate borrowings. Divisions are not permitted to borrow short or long term from external sources. At 30 April 2019, it is estimated that a general increase of one percentage point in interest rates would have a negligible impact on the reported profit. The vast majority of debt on finance leases is on fixed rates.

19. Provisions

	Warranty provision £'000	Insurance provision £'000	Total £'000
At 1 May 2018	35	235	270
Utilised	-	(34)	(34)
Additional provision	-	-	-
Released unused	-	-	-
At 30 April 2019	35	201	236
Due within one year	35	201	236
	35	201	236

Warranty provision relates to workmanship claims and is based on potential costs to make good defects and associated legal and professional fees in contesting the claims, net of amounts covered by insurance. Insurance provision comprises insurance policy excesses associated with insurance claims.

20. Deferred tax

	Accelerated capital allowances £'000	Short-term timing differences £'000	Share- based payments £'000	Total £'000
At 1 May 2017	780	(2)	-	778
Charge to income statement	191	-	-	191
Charge / (credit) to equity	-	-	-	-
At 30 April 2018	971	(2)	-	969
Charge / (credit) to income statement	332	(3)	-	329
Charge / (equity) to equity	-	-	-	-
At 30 April 2019	1,303	(5)	-	1,298

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 17% (2018: 17%) being the rate at which deferred tax is expected to reverse in the future (see note 10).

Notes to the financial statements (continued)

For the year ended 30 April 2019

21. Share capital

	2019		2018	
	Number	£'000	Number	£'000
Authorised, called-up and fully paid				
Ordinary shares of 100p each	2,448	2	2,448	2

22. Share-based payments

Certain Directors and key employees of the Company are eligible to participate in two share-based incentive schemes, operated by Van Elle Holdings plc, known as the Van Elle Holdings plc Long Term Incentive Plan ("LTIP") and the Van Elle Holdings plc Company Share Option Plan ("CSOP"). Both schemes are United Kingdom tax authority-approved schemes.

Both schemes enable certain Directors and employees to acquire shares in the parent company, Van Elle Holdings plc.

During the year Van Elle Holdings plc introduced a SAYE scheme during the year open to all employees of Van Elle Ltd. The Company has recognised costs of £122,870 (2018: £148,000) in respect of equity-settled share-based payment transactions in the year.

Details of all the schemes, together with details of options granted during the year, are disclosed in the financial statements of the immediate and ultimate parent company, Van Elle Holdings plc.

23. Reserves

The following describes the nature and purpose of each reserve within equity:

Retained earnings	All other net gains and losses and transactions with owners not recognised elsewhere.
-------------------	---

24. Cash generated from operations

	2019	2018
	£'000	£'000
Operating profit	4,562	9,710
Adjustments for:		
Depreciation of property, plant and equipment	4,291	5,705
Amortisation of intangible assets	45	44
Profit on disposal of property, plant and equipment	(26)	(267)
Share-based payment expense	123	225
Operating cash flows before movement in working capital	8,995	15,417
Increase in inventories	(317)	(142)
(Increase)/Decrease in trade and other receivables	1,667	(3,429)
Increase/(decrease) in trade and other payables	(3,488)	(1,050)
Decrease in provisions	(34)	(72)
Cash generated from operations	6,823	10,724

Notes to the financial statements (continued)

For the year ended 30 April 2019

25. Analysis of cash and cash equivalents and reconciliation to net debt

	2018 £'000	Cash flows £'000	Non-cash flows £'000	2019 £'000
Cash at bank	10,832	(2,879)	-	7,953
Cash in hand	48	(4)	-	44
Cash and cash equivalents	10,880	(2,883)	-	7,997
Bank loans secured	(1,125)	150	-	(975)
Other loans secured	(110)	95	-	(15)
Finance leases	(15,550)	5,561	(1,250)	(11,239)
Net debt	(5,905)	2,923	(1,250)	(4,232)

Significant non-cash transactions include the purchase of £1,250,181 (2018: £8,135,057) of fixed assets on hire purchase.

26. Lease commitments

Finance leases

Future lease payments are due as follows:

	Minimum lease payments £'000	Interest £'000	Present value £'000
30 April 2019			
Not later than one year	4,964	434	4,530
Between one year and five years	7,300	591	6,709
Later than five years	-	-	-
At 30 April 2019	12,264	1,025	11,239
Current liabilities	4,964	434	4,530
Non-current liabilities	7,300	591	6,709
30 April 2018			
Not later than one year	5,858	525	5,333
Between one year and five years	11,173	955	10,218
Later than five years	-	-	-
At 30 April 2018	17,031	1,480	15,551
Current liabilities	5,858	525	5,333
Non-current liabilities	11,173	955	10,218

Notes to the financial statements (continued)

For the year ended 30 April 2019

26. Lease commitments (continued)

Operating leases – lessee

The total value of minimum lease payments is due as follows:

	2019 £'000	2018 £'000
Due within one year	220	136
Between one and five years	912	887
Later than five years	8,181	8,409
	9,313	9,432

Following a review of lease commitments in the year it was identified that one lease expires at a later date than previously understood and therefore prior year figures have been restated to reflect the actual commitment.

27. Capital commitments

	2019 £'000	2018 £'000
Contracted but not provided for	1,317	1,268

28. Related party transactions

Details of Directors' remuneration and key management personnel remuneration are given in note 8.

Other related party transactions are as follows:

Related party relationship	Type of transaction	Transaction amount		Balance owed	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Dividends	Paid to key management personnel	173	428	-	-

During the year the parent company, Van Elle Holdings plc, contributed to the share-based payment scheme for employees of Van Elle Limited and a share-based payment charge of £122,870 (2018: £148,000) has been recognised in these financial statements as disclosed in Note 8.

29. Ultimate parent company

The Company is a subsidiary of Van Elle Holdings plc which is the ultimate parent company incorporated in the United Kingdom.

The largest and smallest group in which the results of the company are consolidated is that headed by Van Elle Holdings plc, incorporated in the United Kingdom. The consolidated accounts of this company are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.