

Company Registration No 02593885 (England and Wales)

KEPSTON HOLDINGS LIMITED
DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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KEPSTON HOLDINGS LIMITED

COMPANY INFORMATION

Directors

Mr B D Millage
Mrs T J Millage

Secretary

Ms A S Pitt

Company number

02593885

Registered office

Unit 1
Coppice Lane
Aldridge
Walsall
West Midlands
WS9 9AA

Auditors

Edwards
34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ

KEPSTON HOLDINGS LIMITED

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KEPSTON HOLDINGS LIMITED
DIRECTORS' AND STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2015

The directors present their report together with the audited financial statements for the year ended 30 June 2015.

Results and dividends

The consolidated profit and loss account is set out on page 6 and shows the profit for the year.

The directors have declared and paid during the financial year a dividend amounting to £105,798 (2014 - £74,312).

Principal activities, review of business and future developments

The company's principal activity is that of a management company. The group's principal activity is that of jig and general grinding, furnace brazing and heat treatment.

As anticipated by the directors the group reported consistent turnover levels to the prior year, maintaining a healthy gross profit margin of around 45%. Due to the continued close control over costs, the group has reported a healthy operating profit of £817,308.

At 30 June 2015 the group had shareholders' funds of £3,314,083, distributable reserves of £3,292,581 and net current assets amounting to £992,370. The directors therefore believe the group's position at the year end to be satisfactory.

The directors have assessed the main risk facing the group to be continued competitive pressure on volumes and margins. The directors remain committed to mitigating this risk and developing business further through continued investment in people, the efficiency of company operations and by consistently developing innovative customer focused solutions. The policy of the group will continue to be that of providing the very highest standards and best possible service to its customers to develop business in line with that required to support the range of products it provides.

Future trading and liquidity risk

The directors have considered the period to 31 December 2016 based on current expectations of activity levels and the directors' assessments of the likely levels of demand from key customers. Assumptions have all been made on a prudent basis.

Therefore, after making the enquiries that they consider necessary the directors have a reasonable expectation that the group has adequate funding resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the annual report and accounts.

Key performance indicators

Key performance indicators are used to measure and evaluate group performance against targets and monitor various activities throughout the group. The main key performance indicators employed in the group are:

- Turnover levels by product
- Profit levels (contribution, gross margin and net margin)
- Debtor days

The directors monitor these on a monthly basis against prior year and budget.

KEPSTON HOLDINGS LIMITED
DIRECTORS' AND STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

Fixed assets

The movement of fixed assets are shown in the notes to the financial statements.

Financial instruments

The group holds financial instruments to finance its operations and manages risks arising from these operations and its sources of finance in accordance with its accounting policies.

In addition, various financial instruments such as trade debtors and trade creditors arise directly from the group's operations. The group performs credit checks for all significant customers to minimise bad debt risk.

Operations and working capital requirements are funded principally out of short term banking facilities, hire purchase agreements and invoice discounting.

Directors

The directors of the company during the year were:

Mr B D Millage
Mrs T J Millage

The company's Articles of Association do not require directors to retire by rotation.

Auditors

In accordance with the company's articles, a resolution proposing that Edwards be reappointed as auditors of the company will be put at a General Meeting.

On behalf of the board



Mr B D Millage
Director

Date 15 December 2015

KEPSTON HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2015

The directors are responsible for preparing 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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to

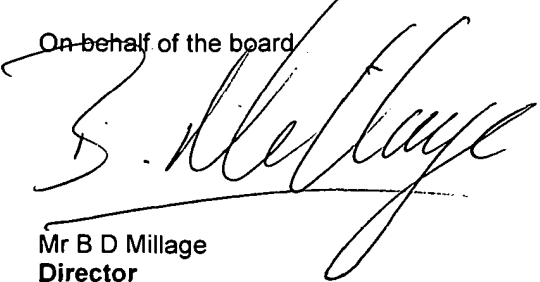
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

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 auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

On behalf of the board



Mr B D Millage
Director

Date 15 December 2015

KEPSTON HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KEPSTON HOLDINGS LIMITED

We have audited the Group and parent company financial statements of Kepston Holdings Limited for the year ended 30 June 2015 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2015 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

KEPSTON HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Matters on which we are required to report by exception

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

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



David Webb FCA (Senior Statutory Auditor)
For and on behalf of Edwards

Date 15 December 2015

Chartered Accountants
Statutory Auditor

Edwards Accountants
34 High Street
Aldridge
West Midlands
WS9 8LZ

KEPSTON HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 £	2014 £
Turnover	2	4,415,876	4,411,993
Cost of sales		(2,398,030)	(2,355,096)
Gross profit		2,017,846	2,056,897
Distribution costs		(152,871)	(161,599)
Administrative expenses		(1,047,667)	(1,104,280)
Operating profit	3	817,308	791,018
Other interest receivable and similar income	6	2,066	874
Interest payable and similar charges	7	(28,324)	(22,993)
Profit on ordinary activities before taxation		791,050	768,899
Taxation on profit on ordinary activities	9	(149,078)	(147,767)
Profit on ordinary activities after taxation		641,972	621,132
Equity minority interest	21	(26,042)	(25,438)
Profit for the financial year		615,390	595,694

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 10 to 21 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2015

	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	11		3,295,376		2,786,927
Current assets					
Debtors	13	924,087		778,827	
Cash at bank and in hand		1,170,090		1,001,414	
		<u>2,094,177</u>		<u>1,780,241</u>	
Creditors: amounts falling due within one year	14	(1,101,807)		(1,045,923)	
		<u></u>		<u></u>	
Net current assets			992,370		734,318
			<u></u>		<u></u>
Total assets less current liabilities			4,287,746		3,521,245
			<u></u>		<u></u>
Creditors: amounts falling due after more than one year	15		(456,566)		(308,239)
Provisions for liabilities	16		(343,000)		(261,000)
			<u></u>		<u></u>
Net assets			3,488,180		2,952,006
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	18		10,967		10,967
Capital redemption reserve	19		10,535		10,535
Profit and loss account	19		3,292,581		2,782,449
			<u></u>		<u></u>
Shareholders' funds	20		3,314,083		2,803,951
Equity minority interest	21		174,097		148,055
			<u></u>		<u></u>
			3,488,180		2,952,006
			<u></u>		<u></u>

The financial statements were approved by the board of directors and authorised for issue on 15 December 2015

Mr B D Millage
Director

The notes on pages 10 to 21 form part of these financial statements.

COMPANY BALANCE SHEET

AT 30 JUNE 2015

	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Investments	12		297,557		297,557
Current assets					
Cash at bank and in hand		26,804		17,502	
Creditors: amounts falling due within one year	14	(274,623)		(242,652)	
Net current liabilities			(247,819)		(225,150)
Total assets less current liabilities			49,738		72,407
Capital and reserves					
Called up share capital	18		10,967		10,967
Capital redemption reserve	19		10,535		10,535
Profit and loss account	19		28,236		50,905
Shareholders' funds	20		49,738		72,407

The financial statements were approved by the board of directors and authorised for issue on 15 December 2015

Mr B D Millage
Director

The notes on pages 10 to 21 form part of these financial statements.

KEPSTON HOLDINGS LIMITED
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 £	2015 £	2014 £	2014 £
Net cash inflow from operating activities	24		1,132,735		882,303
Returns on investments and servicing of finance					
Interest received		2,066		874	
Interest paid		(28,324)		(22,993)	
Net cash outflow from returns on investments and servicing of finance			(26,258)		(22,119)
Taxation					
Corporation tax paid			(130,761)		(108,580)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(318,513)		(418,715)	
Receipts from sale of tangible fixed assets		16,694		48,701	
Net cash outflow from capital expenditure and financial investment			(301,819)		(370,014)
Dividends paid			(105,798)		(74,312)
Net cash inflow before use of financing			568,099		307,278
Financing					
Repayment of long term bank loans		(36,681)		(41,742)	
Repayments under hire purchase contracts		(215,887)		(184,885)	
Cash outflow from financing			(252,568)		(226,627)
Increase in cash	25		315,531		80,651

The notes on pages 10 to 21 form part of these financial statements.

KEPSTON HOLDINGS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied consistently:

Basis of consolidation

The consolidated financial statements incorporate the results of Kepston Holdings Limited and its subsidiary undertaking, Kepston Limited, as at 30 June 2015 using the acquisition method of accounting. Whereby the results of the subsidiary undertaking is included from the date of acquisition.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	- Nil rate
Freehold buildings	- 2% straight line
Plant and machinery	- 10%-25% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures, fittings and equipment	- 10%-25% reducing balance

Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Fixed asset investments

Fixed asset investments are stated at cost less provision for diminution in value.

KEPSTON HOLDINGS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

1 Accounting policies (continued)

Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Pension costs

The pension cost charged in the financial statements represents the contribution payable by the group during the year.

2 Turnover

	2015 £	2014 £
Analysis by geographical market		
United Kingdom	4,396,792	4,405,842
Europe	19,084	6,151
	<hr/>	<hr/>
	4,415,876	4,411,993
	<hr/>	<hr/>

Turnover is wholly attributable to the principal activity of the group.

KEPSTON HOLDINGS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

3 Operating profit

	2015	2014
	£	£
This is arrived at after charging:		
Depreciation of tangible fixed assets	272,637	247,556
Loss on disposal of tangible fixed assets	5,232	9,742
Auditors' remuneration (including expenses and benefits in kind)	13,375	12,000
Operating lease rentals – plant and machinery	45,608	44,825
Operating lease rentals – other assets	30,000	37,595
	<u> </u>	<u> </u>

4 Employees

Staff costs (including directors) consist of:

	Group	Group
	2015	2014
	£	£
Wages and salaries	1,666,871	1,588,202
Social security costs	150,790	146,131
Other pension costs	55,833	90,087
	<u> </u>	<u> </u>
	1,873,494	1,824,420
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year was as follows:

	Group	Group
	2015	2014
	Number	Number
Production	45	46
Administration	20	20
	<u> </u>	<u> </u>
	65	66
	<u> </u>	<u> </u>

5 Directors' remuneration

	2015	2014
	£	£
Directors' emoluments	54,424	53,997
Company contributions to money purchase pension schemes	22,000	55,987
	<u> </u>	<u> </u>

There was 1 director in the group's defined contribution pension scheme during the year (2014 - 2).

KEPSTON HOLDINGS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

6 Other interest receivable and similar income

	2015	2014
	£	£
Bank deposits	2,066	874

7 Interest payable and similar charges

	2015	2014
	£	£
Bank loans and overdrafts	8,584	7,036
Hire purchase contracts	19,740	15,957
	<u>28,324</u>	<u>22,993</u>

8 Dividends

	2015	2014
	£	£
Ordinary interim paid	105,798	74,312

9 Taxation on profit on ordinary activities

	2015	2014
	£	£
<i>UK corporation tax</i>		
Current tax on profit for the year	67,077	130,767
Adjustment in respect of previous years	1	-
	<u>67,078</u>	<u>130,767</u>
Total current tax	67,078	130,767
<i>Deferred tax</i>		
Origination and reversal of timing differences	82,000	17,000
	<u>149,078</u>	<u>147,767</u>
Taxation on profit on ordinary activities	149,078	147,767

KEPSTON HOLDINGS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2015****9 Taxation on profit on ordinary activities (continued)**

The tax assessed for the year is lower (2014 – lower) than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below.

	2015 £	2014 £
Profit on ordinary activities before tax	791,050	768,899
Profit on ordinary activities at the standard rate of corporation tax in the UK 20.75% (2014 – 22.50%)	164,143	173,002
Effect of:		
Expenses not deductible for tax purposes	1,306	1,418
Capital allowances for period in excess of depreciation	(96,612)	(39,765)
Adjustment in respect of previous years	1	-
Effects of tax rate changes	(780)	(2,351)
Marginal relief	(980)	(1,537)
Current tax charge for the year	67,078	130,767

The group expects to continue to claim capital allowances in excess of depreciation in future years.

10 Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group profit for the year includes a profit after tax of £83,129 (2014 – £75,247) which is dealt with in the financial statements of the parent company.

KEPSTON HOLDINGS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

11 Tangible fixed assets

Group

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost					
At 1 July 2014	492,034	3,696,669	113,831	446,788	4,749,322
Additions	-	773,668	24,999	4,345	803,012
Disposals	-	-	(39,757)	-	(39,757)
At 30 June 2015	492,034	4,470,337	99,073	451,133	5,512,577
Depreciation					
At 1 July 2014	63,553	1,511,584	24,339	362,919	1,962,395
Provided for the year	6,779	230,998	24,058	10,802	272,637
Disposals	-	-	(17,831)	-	(17,831)
At 30 June 2015	70,332	1,742,582	30,566	373,721	2,217,201
Net book value					
At 30 June 2015	421,702	2,727,755	68,507	77,412	3,295,376
At 30 June 2014	428,481	2,185,085	89,492	83,869	2,786,927

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Motor vehicles £	Total £
Net book value			
At 30 June 2015	875,029	68,006	943,035
At 30 June 2014	465,402	81,527	546,929
Depreciation charge for the year			
Year ended 30 June 2015	46,540	22,067	68,067
Year ended 30 June 2014	51,711	18,205	69,916

The cost of non-depreciable assets included in freehold land and buildings was £153,053 (2014 - £153,053).

The company has no tangible fixed assets.

KEPSTON HOLDINGS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

12 Fixed asset investments

Company

	Subsidiary undertakings £
Cost	
At 1 July 2014 and 30 June 2015	297,557
Net book value	
At 30 June 2014 and 30 June 2015	297,557

The company owns 95.34% of the ordinary share capital of Kepston Limited, a company incorporated in England and Wales. The principal activity of the company is that of jig and general grinding, furnace brazing and heat treatment.

13 Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	836,100	694,108	-	-
Prepayments and accrued income	87,987	84,382	-	-
Other debtors	-	337	-	-
	<u>924,087</u>	<u>778,827</u>	<u>-</u>	<u>-</u>

All amounts shown under debtors fall due for payment within one year.

KEPSTON HOLDINGS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

14 Creditors: amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Bank loans and overdrafts	44,385	190,185	-	-
Trade creditors	591,641	378,634	-	-
Amounts owed to group undertakings	-	-	172,873	134,873
Corporation tax	67,084	130,767	20,782	18,811
Other taxation and social security	59,133	57,636	-	-
Obligations under hire purchase contracts	173,110	90,561	-	-
Other creditors	114,285	170,252	80,968	88,968
Accruals and deferred income	52,169	27,888	-	-
	<u>1,101,807</u>	<u>1,045,923</u>	<u>274,623</u>	<u>242,652</u>

15 Creditors: amounts falling due after more than one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Bank loans	120,424	158,160	-	-
Obligations under hire purchase contracts	336,142	150,079	-	-
	<u>456,566</u>	<u>308,239</u>	<u>-</u>	<u>-</u>

Maturity of debt:

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
In one year or less, or on demand	217,495	280,746	-	-
In more than one year but not more than two years	193,322	124,539	-	-
In more than two years but not more than five years	263,244	183,700	-	-
After more than five years	-	-	-	-
	<u>674,061</u>	<u>588,985</u>	<u>-</u>	<u>-</u>

Net obligations under hire purchase contracts are secured on the assets to which they relate.

Bank loans are repayable in monthly instalments, are secured by charges over the group's freehold land and buildings and carry interest at a rate of 1.9% above LIBOR.

KEPSTON HOLDINGS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

16 Provisions for liabilities

Group

	Deferred taxation £
At 1 July 2014	261,000
Charged to profit and loss account	82,000
	<hr/>
At 30 June 2015	343,000
	<hr/>

The company has £Nil liability to deferred taxation at 30 June 2015 (2014 - £Nil).

Deferred taxation

	Group 2015 £	Group 2014 £
Accelerated capital allowances	343,000	261,000
	<hr/>	<hr/>

17 Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £55,833 (2014 - £86,940). At 30 June 2015, contributions amounting to £6,276 (2014 - £5,671) were payable to the fund and are included in creditors.

18 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
10,967 Ordinary shares of £1 each	10,967	10,967
	<hr/>	<hr/>

KEPSTON HOLDINGS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

19 Reserves

Group

	Capital redemption reserve £	Profit and loss account £
At 1 July 2014	10,535	2,782,449
Profit for the year	-	615,930
Dividends	-	(105,798)
At 30 June 2015	10,535	3,292,581

Company

	Capital redemption reserve £	Profit and loss account £
At 1 July 2014	10,535	50,905
Profit for the year	-	83,129
Dividends	-	(105,798)
At 30 June 2015	10,535	28,236

20 Reconciliation of movements in shareholders' funds

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Profit for the year	615,930	595,694	83,129	75,247
Dividends	(105,798)	(74,312)	(105,798)	(74,312)
Net increase/(decrease) in s'holders' funds	510,132	521,382	(22,669)	935
Opening shareholders' funds	2,803,951	2,282,569	72,407	71,472
Closing shareholders' funds	3,314,083	2,803,951	49,738	72,407

21 Minority interest

Group

	2015 £	2014 £
Equity minority interest brought forward	148,055	122,617
Share of profit for the year	26,042	25,438
Equity minority interest carried forward	174,097	148,055

KEPSTON HOLDINGS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2015****22 Commitments under operating leases**

At 30 June 2015, the group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2015 £	Other 2015 £	Land and buildings 2014 £	Other 2014 £
Operating leases which expire:				
Within one year	-	5,041	-	680
In two to five years	-	46,273	-	48,145
After five years	30,000	-	30,000	-
	<u>30,000</u>	<u>51,314</u>	<u>30,000</u>	<u>48,825</u>

The company had no annual commitments under non-cancellable operating leases.

23 Related party disclosures and transactions with directors

As permitted by FRS 8 "Related Party Disclosures" the financial statements do not disclose transactions with the parent company and fellow subsidiaries where 90% of the voting rights are controlled within the group.

Transactions with directors

At 30 June 2015, included in other creditors is an amount of £80,467 (2014 – £88,467) payable to Mr B D Millage, director. The loan has no set repayment date.

Controlling party

The company is controlled by Mr B D Millage by virtue of his 100% interest in the issued share capital of the company.

24 Reconciliation of operating profit to net cash inflow from operating activities

	2015 £	2014 £
Operating profit	817,308	791,018
Depreciation of tangible fixed assets	272,637	247,556
Loss on disposal of tangible fixed assets	5,232	9,742
Increase in debtors	(145,260)	(1,232)
Increase/(decrease) in creditors	182,818	(164,781)
	<u>1,132,735</u>	<u>882,303</u>
Net cash inflow from operating activities		

KEPSTON HOLDINGS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

25 Reconciliation of net cash flow to movement in net debt

	2015 £	2014 £
Increase in cash	315,531	80,651
Cash outflow from changes in debt	252,568	226,627
	<hr/>	<hr/>
Movement in net debt resulting from cash flows	568,099	307,278
Inception of hire purchase contracts	(484,499)	(92,306)
	<hr/>	<hr/>
Movement in net debt	83,600	214,972
Opening net debt	412,429	197,457
	<hr/>	<hr/>
Closing net debt	496,029	412,429
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26 Analysis of net debt

	At 1 July 2014 £	Cashflow £	Non cash movements £	At 30 June 2015 £
Cash at bank and in hand	1,001,414	168,676	-	1,170,090
Bank overdraft	(147,449)	146,855	-	(594)
	<hr/>	<hr/>	<hr/>	<hr/>
	853,965	315,531	-	1,169,496
	<hr/>	<hr/>	<hr/>	<hr/>
Debt due within one year	(42,736)	36,681	(37,736)	(43,791)
Debt due after one year	(158,160)	-	37,736	(120,424)
Hire purchase contracts	(240,640)	215,887	(484,499)	(509,252)
	<hr/>	<hr/>	<hr/>	<hr/>
	(441,536)	252,568	(484,499)	(673,467)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	412,429	568,099	(484,499)	496,029
	<hr/>	<hr/>	<hr/>	<hr/>