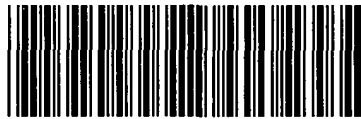


COMPANY REGISTRATION NUMBER: 02814031

Gelder Limited
Financial Statements
For the period ended
31 March 2016

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Gelder Limited
Financial Statements
Period from 1 October 2015 to 31 March 2016

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Independent auditor's report to the shareholders	6
Consolidated income statement	8
Consolidated statement of financial position	9
Company statement of financial position	10
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Consolidated statement of cash flows	13
Notes to the financial statements	14

Gelder Limited

Officers and Professional Advisers

The board of directors

S P Gelder MBE
D A Gladwin

Company secretary

A J M Fullwood

Registered office

Tillbridge Lane
Sturton by Stow
Lincoln
LN1 2 BP

Auditor

Streets Audit LLP
Chartered Accountants & statutory auditor
Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Bankers

National Westminster Bank Plc
Lincoln Corporate Business Centre
3rd Floor General Buildings
Brayford Wharf East
Lincoln
LN5 7DS

Gelder Limited

Strategic Report

Period from 1 October 2015 to 31 March 2016

The Directors have pleasure in presenting their audited strategic report and the consolidated financial statements of Gelder Limited for the 6 months to March 2016.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principle activities of Gelder Ltd are those of tendered contracts, design and build, repair and renovation and maintenance works.

Turnover for the 6 months was £20.2m compared with £17.7m for the same period of the previous year. The increase primarily reflects the additional activity from our Insurance Division as a result of the surge of orders relating to the December floods in Cumbria and North Yorkshire. Our Major Contracts Division also enjoyed an order book of over £10m going into 2016 which has boosted sales in the first quarter. In particular Turnover for January 2016 exceeded £3.3m which is our best start to any year.

Profits before Tax amounted to £1.23m, attributable to the success of all three of our core Divisions. Cash resources have increased by over £1m since September 2015, realising the true benefits that have come from the reorganisation of the business driven by Vision 2017. Retained earnings as at 31st March 2016 amounted to £2.9m.

During the 6 months to March 2016 the business has seen significant improvements in cash flow, customer satisfaction scores, order book, sales and more importantly profits.

The Directors recognise that the primary reason for this excellent financial performance is our staff which we consider to be our most important asset. We would like to take this opportunity to thank them for their continued commitment, support, enthusiasm and hard work.

PRINCIPAL RISKS AND UNCERTAINTIES

The upcoming referendum on 23rd June to decide if the UK will stay or leave the European Union will no doubt have an impact on the business, to what extent is an unknown. We may see a reduction in public spending that could affect our Major Contracts Division; however, with the current mix of public and private clients we have sufficiently reduced our exposure to this.

The diversity of the company and the Group as a whole will protect us against business and operational risk and we look forward to the many challenges that lie ahead.

FORWARD BUSINESS VIEW

We believe the company is well positioned to build upon the good financial performance of the past 6 months. Order books are growing as is our client base and we are also building stronger relationships with our larger clients.

The Directors have continued to monitor key performance indicators and performance against approved plans. Main indicators include customer satisfaction levels, the number of orders received and approval rates, service levels, turnover by division and branch, gross profit margins, cash receipts, vehicle movements, critical expense monitoring, and budget performance.

Vision 2017 is a solid foundation to enable the business to continuously improve our systems, policies and procedures; this in turn will drive further cost reductions and efficiency gains across our varying divisions.

The Directors have ensured that the Balance Sheet of the business is sufficient to support the activity levels of the company.

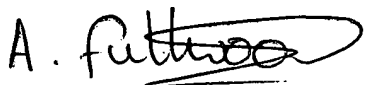
Gelder Limited

Strategic Report (*continued*)

Period from 1 October 2015 to 31 March 2016

Copies of our 2017 Vision are available upon request.

This report was approved by the board of directors on 20 June 2016 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'A. J. M. Fullwood', with a large, sweeping flourish at the end.

A J M FULLWOOD
Company Secretary

Registered office:
Tillbridge Lane
Sturton by Stow
Lincoln
LN1 2 BP

Gelder Limited

Directors' Report

Period from 1 October 2015 to 31 March 2016

The directors present their report and the financial statements of the group for the period ended 31 March 2016.

Directors

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

S P GELDER MBE
D A GLADWIN

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Employment of disabled persons

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

Employee involvement

During the period, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employee to allow the free flow of information and ideas. Employees participate directly in the success of the business through the company's profit sharing schemes. In 2012, the company was re-awarded the Gold Standard for Investors in People, for its commitment to the wellbeing of its staff.

Disclosure of information in the strategic report

Information required by schedule 7 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the Strategic Report.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

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

Gelder Limited

Directors' Report (*continued*)

Period from 1 October 2015 to 31 March 2016

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

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

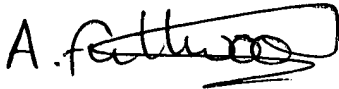
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

Auditor

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

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 20 June 2016 and signed on behalf of the board by:



A J M FULLWOOD
Company Secretary

Registered office:
Tillbridge Lane
Sturton by Stow
Lincoln
LN1 2 BP

Gelder Limited

Independent Auditor's Report to the Shareholders of Gelder Limited

Period from 1 October 2015 to 31 March 2016

We have audited the financial statements of Gelder Limited for the period ended 31 March 2016 which comprise the consolidated income statement, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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 strategic report and the directors' 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 of the parent company's affairs as at 31 March 2016 and of the group's profit for the period 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.

Gelder Limited

Independent Auditor's Report to the Shareholders of Gelder Limited (*continued*)

Period from 1 October 2015 to 31 March 2016

Opinion on other matter prescribed by the Companies Act 2006

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

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.



CHRISTOPHER HUBBARD (Senior Statutory Auditor)

For and on behalf of
Streets Audit LLP
Chartered Accountants & statutory auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

20 June 2016

Gelder Limited

Consolidated Income Statement

Period from 1 October 2015 to 31 March 2016

	31 Mar 16			1 Jan 15 - 30 Sep 15		
	Continuing	Discont'd		Continuing	Discont'd	
	operations	operations	Total	operations	operations	Total
Note	£	£	£	£	£	£
Turnover	3	20,249,129	– 20,249,129	22,237,507	1,022,907	23,260,414
Cost of sales		16,965,603	– 16,965,603	19,881,271	1,221,393	21,102,664
Gross profit		3,283,526	– 3,283,526	2,356,236	(198,486)	2,157,750
Administrative expenses		2,145,772	– 2,145,772	3,000,680	884,390	3,885,070
Operating profit/(loss)	4	1,137,754	– 1,137,754	(644,444)	(1,082,876)	(1,727,320)
Income from interests in associates	8	112,701	– 112,701	(36,342)	–	(36,342)
Interest receivable		58	– 58	–	–	–
Interest payable	9	17,511	– 17,511	26,901	–	26,901
Profit/(loss) on ordinary activities before taxation		1,233,002	– 1,233,002	(707,687)	(1,082,876)	(1,790,563)
Taxation on ordinary activities	10	196,122	– 196,122	(287,445)	–	(287,445)
Profit/(loss) for the financial period		1,036,880	– 1,036,880	(420,242)	(1,082,876)	(1,503,118)

The group has no other recognised items of income and expenses other than the results for the period as set out above.

The notes on pages 14 to 25 form part of these financial statements.

Gelder Limited

Consolidated Statement of Financial Position

31 March 2016

	Note	31 Mar 16 £	30 Sep 15 £
Fixed assets			
Tangible assets	13	1,120,445	1,046,728
Current assets			
Stocks	15	1,651,320	1,819,776
Debtors	16	8,834,349	7,623,252
Cash at bank and in hand	17	1,086,202	3,169
		<u>11,571,871</u>	<u>9,446,197</u>
Creditors: amounts falling due within one year	18	<u>9,546,862</u>	<u>8,105,802</u>
Net current assets		<u>2,025,009</u>	<u>1,340,395</u>
Total assets less current liabilities		<u>3,145,454</u>	<u>2,387,123</u>
Creditors: amounts falling due after more than one year	19	<u>126,272</u>	<u>204,821</u>
Net assets		<u>3,019,182</u>	<u>2,182,302</u>
Capital and reserves			
Called up share capital	23	5,000	5,000
Share premium account	24	122,506	122,506
Capital redemption reserve	24	250	250
Profit and loss account	24	<u>2,891,426</u>	<u>2,054,546</u>
Shareholders funds		<u>3,019,182</u>	<u>2,182,302</u>

These financial statements were approved by the board of directors and authorised for issue on 20 June 2016, and are signed on behalf of the board by:



S P GELDER MBE
Director

Company registration number: 02814031

The notes on pages 14 to 25 form part of these financial statements.

Gelder Limited
Company Statement of Financial Position
31 March 2016

	Note	31 Mar 16 £	30 Sep 15 £
Fixed assets			
Tangible assets	13	1,120,445	1,046,728
Current assets			
Stocks	15	1,651,320	1,819,776
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Net assets		<u><u>3,019,182</u></u>	<u><u>2,182,302</u></u>
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These financial statements were approved by the board of directors and authorised for issue on 20 June 2016, and are signed on behalf of the board by:



S P GELDER MBE
Director

Company registration number: 02814031

The notes on pages 14 to 25 form part of these financial statements.

Gelder Limited

Consolidated Statement of Changes in Equity

Period from 1 October 2015 to 31 March 2016

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2015	5,000	122,506	250	3,857,664	3,985,420
Loss for the period	—	—	—	(1,503,118)	(1,503,118)
Total comprehensive income for the period	—	—	—	(1,503,118)	(1,503,118)
Dividends paid and payable 12	—	—	—	(300,000)	(300,000)
Total investments by and distributions to owners	—	—	—	(300,000)	(300,000)
At 30 September 2015	5,000	122,506	250	2,054,546	2,182,302
Profit for the period	—	—	—	1,036,880	1,036,880
Total comprehensive income for the period	—	—	—	1,036,880	1,036,880
Dividends paid and payable 12	—	—	—	(200,000)	(200,000)
Total investments by and distributions to owners	—	—	—	(200,000)	(200,000)
At 31 March 2016	5,000	122,506	250	2,891,426	3,019,182

The notes on pages 14 to 25 form part of these financial statements.

Gelder Limited

Company Statement of Changes in Equity

Period from 1 October 2015 to 31 March 2016

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2015	5,000	122,506	250	3,458,664	3,586,420
Loss for the period	—	—	—	(1,104,118)	(1,104,118)
Total comprehensive income for the period	—	—	—	(1,104,118)	(1,104,118)
Dividends paid and payable 12	—	—	—	(300,000)	(300,000)
Total investments by and distributions to owners	—	—	—	(300,000)	(300,000)
At 30 September 2015	5,000	122,506	250	2,054,546	2,182,302
Profit for the period	—	—	—	1,036,880	1,036,880
Total comprehensive income for the period	—	—	—	1,036,880	1,036,880
Dividends paid and payable 12	—	—	—	(200,000)	(200,000)
Total investments by and distributions to owners	—	—	—	(200,000)	(200,000)
At 31 March 2016	<u>5,000</u>	<u>122,506</u>	<u>250</u>	<u>2,891,426</u>	<u>3,019,182</u>

The notes on pages 14 to 25 form part of these financial statements.

Gelder Limited

Consolidated Statement of Cash Flows

Period from 1 October 2015 to 31 March 2016

	Note	31 Mar 16 £	30 Sep 15 £
Cash flows from operating activities			
Profit/(loss) for the financial period		1,036,880	(1,503,118)
<i>Adjustments for:</i>			
Depreciation of tangible assets		172,548	269,121
Income from interests in associates		(112,701)	36,342
Interest receivable		(58)	—
Interest payable		17,511	26,901
Loss/(gains) on disposal of tangible assets		1,943	(38,204)
Taxation on ordinary activities		196,122	(287,445)
Accrued income		—	(5,566)
Deferred tax adjustment to debtors		(196,122)	287,445
<i>Changes in:</i>			
Stocks		168,456	1,439,128
Trade and other debtors		(1,211,097)	(232,197)
Trade and other creditors		628,800	(583,373)
Cash generated from operations		702,282	(590,966)
Interest paid		(17,511)	(26,901)
Interest received		58	—
Tax received		993	—
Net cash from/(used in) operating activities		685,822	(617,867)
Cash flows from investing activities			
Purchase of tangible assets		(274,246)	(436,149)
Proceeds from sale of tangible assets		26,038	525,554
Dividends received		112,701	(36,342)
Net cash (used in)/from investing activities		(135,507)	53,063
Cash flows from financing activities			
Payments of finance lease liabilities		(33,303)	(11,222)
Dividends paid		(200,000)	(300,000)
Net cash used in financing activities		(233,303)	(311,222)
Net increase/(decrease) in cash and cash equivalents		317,012	(876,026)
Cash and cash equivalents at beginning of period		(474,170)	401,856
Cash and cash equivalents at end of period	17	(157,158)	(474,170)

The notes on pages 14 to 25 form part of these financial statements.

Gelder Limited

Notes to the Financial Statements

Period from 1 October 2015 to 31 March 2016

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The financial statements are presented for a period shorter than one year. The reporting period has been changed to give a clearer representation of the activity of the group to the users of the financial statements.

Due to the differing lengths of the periods covered by the current and previous financial statements the comparative amounts are not entirely comparable.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies.

Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Gelder Limited

Notes to the Financial Statements (*continued*)

Period from 1 October 2015 to 31 March 2016

2. Accounting policies (*continued*)

Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all material timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Gelder Limited

Notes to the Financial Statements (*continued*)

Period from 1 October 2015 to 31 March 2016

2. Accounting policies (*continued*)

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 14% - 33% Straight line
Fixtures & Fittings	- 20% - 33% Straight line
Motor Vehicles	- 25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Gelder Limited

Notes to the Financial Statements (*continued*)

Period from 1 October 2015 to 31 March 2016

2. Accounting policies (*continued*)

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoices amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective method. Gains or losses are recognised in the profit and loss accounts when liabilities are derecognised or impaired, as well as through the amortisation process.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Gelder Limited

Notes to the Financial Statements (*continued*)

Period from 1 October 2015 to 31 March 2016

3. Turnover

Turnover arises from:

	Period from 1 Oct 15 to 31 Mar 16 £	Period from 1 Jan 15 to 30 Sep 15 £
Tendered contracts, design & build, repair & renovation & maintenance works.	<u>20,249,129</u>	<u>23,260,414</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

4. Operating profit

Operating profit or loss is stated after charging:

	Period from 1 Oct 15 to 31 Mar 16 £	Period from 1 Jan 15 to 30 Sep 15 £
Depreciation of tangible assets	172,548	269,121
Loss/(gains) on disposal of tangible assets	1,943	(38,204)
Defined contribution plans expense	<u>23,862</u>	<u>38,173</u>

5. Auditor's remuneration

	Period from 1 Oct 15 to 31 Mar 16 £	Period from 1 Jan 15 to 30 Sep 15 £
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	10,000	10,000
Other non-audit services	<u>9,544</u>	<u>27,653</u>
	<u>19,544</u>	<u>37,653</u>

6. Particulars of employees

The average number of persons employed by the group during the period, including the directors, amounted to:

	31 Mar 16 No.	30 Sep 15 No.
Production staff	120	110
Administrative staff	<u>101</u>	<u>81</u>
	<u>221</u>	<u>191</u>

Gelder Limited

Notes to the Financial Statements (*continued*)

Period from 1 October 2015 to 31 March 2016

6. Particulars of employees (*continued*)

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 1 Oct 15 to 31 Mar 16 £	Period from 1 Jan 15 to 30 Sep 15 £
Wages and salaries	3,098,669	4,957,034
Social security costs	286,346	458,076
Other pension costs	23,862	38,173
	<u>3,408,877</u>	<u>5,453,283</u>

7. Exceptional items

	Period from 1 Oct 15 to 31 Mar 16 £	Period from 1 Jan 15 to 30 Sep 15 £
Exceptional amounts written off current assets	<u>6,924</u>	<u>344,929</u>

Exceptional items relate to the write-off of group balances associated with fellow subsidiaries of Gelder Group Holdings Limited that ceased trading during the period. This balance is included within administrative expenses.

8. Income from interests in associates

	Period from 1 Oct 15 to 31 Mar 16 £	Period from 1 Jan 15 to 30 Sep 15 £
Income from interests in associates	<u>112,701</u>	<u>(36,342)</u>

9. Interest payable

	Period from 1 Oct 15 to 31 Mar 16 £	Period from 1 Jan 15 to 30 Sep 15 £
Interest on obligations under finance leases and hire purchase contracts	<u>17,511</u>	<u>26,901</u>

10. Taxation on ordinary activities

Major components of tax expense/(income)

	Period from 1 Oct 15 to 31 Mar 16 £	Period from 1 Jan 15 to 30 Sep 15 £
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Gelder Limited

Notes to the Financial Statements (*continued*)

Period from 1 October 2015 to 31 March 2016

10. Taxation on ordinary activities (*continued*)

	Period from 1 Oct 15 to 31 Mar 16 £	Period from 1 Jan 15 to 30 Sep 15 £
Deferred tax:		
Origination and reversal of timing differences	<u>196,122</u>	<u>(287,445)</u>
Taxation on ordinary activities	<u>196,122</u>	<u>(287,445)</u>

Reconciliation of tax expense/(income)

The tax assessed on the profit on ordinary activities for the period is lower than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	Period from 1 Oct 15 to 31 Mar 16 £	Period from 1 Jan 15 to 30 Sep 15 £
Profit/(loss) on ordinary activities before taxation	<u>1,233,002</u>	<u>(1,790,563)</u>
Profit/(loss) on ordinary activities by rate of tax	<u>232,924</u>	<u>(358,113)</u>
Utilisation of tax losses	<u>(36,802)</u>	<u>70,668</u>
Tax on profit/(loss) on ordinary activities	<u>196,122</u>	<u>(287,445)</u>

11. Profit for the period of the parent company

The profit for the financial period of the parent company was £1,036,880 (Sep 2015: £1,104,118 loss).

12. Dividends

Dividends paid during the period (excluding those for which a liability existed at the end of the prior period):

	31 Mar 16 £	30 Sep 15 £
Equity dividends on ordinary shares	<u>200,000</u>	<u>300,000</u>

Gelder Limited

Notes to the Financial Statements (*continued*)

Period from 1 October 2015 to 31 March 2016

13. Tangible assets

Group and company	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 October 2015	974,300	701,253	1,463,885	3,139,438
Additions	80,886	4,009	189,351	274,246
Disposals	(40,614)	(3,343)	(34,292)	(78,249)
At 31 March 2016	1,014,572	701,919	1,618,944	3,335,435
Depreciation				
At 1 October 2015	805,284	567,205	720,221	2,092,710
Charge for the period	28,446	34,214	109,888	172,548
Disposals	(38,338)	(1,549)	(10,381)	(50,268)
At 31 March 2016	795,392	599,870	819,728	2,214,990
Carrying amount				
At 31 March 2016	219,180	102,049	799,216	1,120,445
At 30 September 2015	169,016	134,048	743,664	1,046,728

The net carrying amount of assets held under finance leases included in the net book value above is £469,960 (Sep 2015 - £798,565).

14. Investments

The company has a 99% controlling interest in four Limited Liability Partnerships, Gainsborough Home Improvements (Lincoln) LLP, Greentech Management Services LLP, Century Plumbing, Heating, Mechanical and Electrical (Lincoln) LLP and Redline Building Supplies and Services (Lincoln) LLP which operate in related fields.

The company has a 33.33% interest in a further Limited Liability Partnership, Tillbridge Developments LLP who operate in a related field.

15. Stocks

	Group		Company	
	31 Mar 16 £	30 Sep 15 £	31 Mar 16 £	30 Sep 15 £
Work in progress	1,636,320	1,804,776	1,636,320	1,804,776
Finished goods	15,000	15,000	15,000	15,000
	1,651,320	1,819,776	1,651,320	1,819,776

Gelder Limited

Notes to the Financial Statements (*continued*)

Period from 1 October 2015 to 31 March 2016

16. Debtors

	Group		Company	
	31 Mar 16	30 Sep 15	31 Mar 16	30 Sep 15
	£	£	£	£
Trade debtors	5,965,896	4,808,743	5,965,896	4,808,743
Amounts owed by group undertakings	1,565,326	1,381,306	1,565,326	1,381,306
Amounts owed by undertakings in which the company has a participating interest	368,665	305,964	368,665	305,964
Deferred tax asset	111,218	307,340	111,218	307,340
Prepayments and accrued income	92,252	48,449	92,252	48,449
Other debtors	730,992	771,450	730,992	771,450
	<u>8,834,349</u>	<u>7,623,252</u>	<u>8,834,349</u>	<u>7,623,252</u>

Trade debtors are stated after provisions for impairment of £231,658 (Sep 2015 - £219,931).

Other debtors includes retentions on contracts of £730,992 (Sep 2015 - £771,450).

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	31 Mar 16	30 Sep 15
	£	£
Cash at bank and in hand	1,086,202	3,169
Bank overdrafts	<u>(1,243,360)</u>	<u>(477,339)</u>
	<u>(157,158)</u>	<u>(474,170)</u>

Gelder Limited

Notes to the Financial Statements (*continued*)

Period from 1 October 2015 to 31 March 2016

18. Creditors: amounts falling due within one year

	Group		Company	
	31 Mar 16	30 Sep 15	31 Mar 16	30 Sep 15
	£	£	£	£
Bank loans and overdrafts	1,243,360	477,339	1,243,360	477,339
Trade creditors	6,962,986	6,311,815	6,962,986	6,311,815
Accruals and deferred income	22,100	22,100	22,100	22,100
Corporation tax	993	–	993	–
Social security and other taxes	697,856	704,526	697,856	704,526
Obligations under finance leases and hire purchase contracts	343,688	298,442	343,688	298,442
Other creditors	275,879	291,580	275,879	291,580
	<u>9,546,862</u>	<u>8,105,802</u>	<u>9,546,862</u>	<u>8,105,802</u>

Bank loans and overdrafts are secured by a charge over the assets held by the company. Hire purchase agreements are secured over the assets concerned.

Amounts owed to group undertakings are unsecured, interest free have no fixed date of repayment and are repayable on demand.

19. Creditors: amounts falling due after more than one year

	Group		Company	
	31 Mar 16	30 Sep 15	31 Mar 16	30 Sep 15
	£	£	£	£
Obligations under finance leases and hire purchase contracts	<u>126,272</u>	<u>204,821</u>	<u>126,272</u>	<u>204,821</u>

Hire purchase agreements are secured over the assets concerned.

20. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	31 Mar 16	30 Sep 15	31 Mar 16	30 Sep 15
	£	£	£	£
Not later than 1 year	343,688	298,442	343,688	298,442
Later than 1 year and not later than 5 years	<u>126,272</u>	<u>204,821</u>	<u>126,272</u>	<u>204,821</u>
	<u>469,960</u>	<u>503,263</u>	<u>469,960</u>	<u>503,263</u>

Gelder Limited

Notes to the Financial Statements (*continued*)

Period from 1 October 2015 to 31 March 2016

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	31 Mar 16	30 Sep 15	31 Mar 16	30 Sep 15
	£	£	£	£
Included in debtors (note 16)	<u>111,218</u>	<u>307,340</u>	<u>111,218</u>	<u>307,340</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	31 Mar 16	30 Sep 15	31 Mar 16	30 Sep 15
	£	£	£	£
Accelerated capital allowances	<u>111,218</u>	<u>307,340</u>	<u>111,218</u>	<u>307,340</u>

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £23,862 (Sep 2015: £38,173).

23. Called up share capital

Issued, called up and fully paid

	31 Mar 16		30 Sep 15	
	No.	£	No.	£
Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

24. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

25. Discontinued operations

As part of the group's strategy to concentrate resources on profitable activities it was decided to discontinue the activities of the Kings Lynn and Kettering divisions.

Gelder Limited

Notes to the Financial Statements (*continued*)

Period from 1 October 2015 to 31 March 2016

26. Related party transactions

Group

The Gelder Limited group was a 100% subsidiary of Gelder Group Holdings Limited during the current and previous year. Accordingly, the company has taken advantage of the exemption in Financial Reporting Standard 102 from disclosing transactions with members or investees of the group. No further transactions with related parties arose, such as those required to be disclosed under Financial Reporting Standard 102.

Company

The company was a 100% subsidiary of Gelder Group Holdings Limited during the current and previous year. Accordingly, the company has taken advantage of the exemption in Financial Reporting Standard 102 from disclosing transactions with members or investees of the group. No further transactions with related parties arose, such as those required to be disclosed under Financial Reporting Standard 102.

27. Controlling party

The ultimate parent company is Gelder Group Holdings Limited, a company registered in England and Wales, number 07458632.

The ultimate controlling party is S P Gelder MBE as he is the majority shareholder of the ultimate parent company.