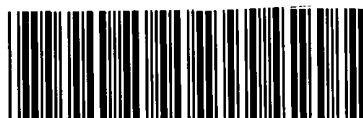


Registered number: 03713113

**1948 GROUP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

MAGEE GAMMON
Chartered Accountants
Henwood House
Henwood
Ashford
Kent
TN24 8DH

TUESDAY



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26/09/2017

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COMPANIES HOUSE

1948 GROUP LIMITED

COMPANY INFORMATION

Directors

Mr L J Ray
Mrs L Ray
Mr S Ray
Mr W Ray

Registered number

03713113

Registered office

Henwood House
Henwood
Ashford
Kent
TN24 8DH

Trading Address

Charles Anthony House
Manston Road
Margate
Kent
CT9 4JW

Independent auditors

Magee Gammon Corporate Limited
Chartered Accountants & Statutory Auditors
Henwood House
Henwood
Ashford
Kent
TN24 8DH

Bankers

Svenska Handelsbanken AB
9th Floor
Colman House
King Street
Maidstone
Kent
ME14 1DN

1948 GROUP LIMITED

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1948 GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The directors present their strategic report for the group for the year ended 31st December 2016.

Business review

Group results for the year, after elimination of intra-group transactions reflects a pre-tax profit of £2.830 million for the year, achieved on consolidated turnover of £25.355 million. This compares with £1.650 million (restated) and £20.133 million respectively reflected in the previous year.

The results of the company show a pre-tax profit of £1.165 million for the year compared to last year's profit of £1.276 million (restated). Rental income has remained at a consistent level with that achieved in the comparative year, being £792,049 compared with £792,000 for 2015. Turnover mainly comprises rental income received from D.D.S (Demolition) Limited and Thanet Waste Services Limited, wholly owned subsidiaries of the company.

The group has had a successful year of trading. Significant development of premises and investment in fixed assets have been made during the year, which will hopefully help facilitate further growth of the trading subsidiaries.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks.

Risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the group. The key business risks affecting the group are set out as follows:

Competition

Although the company is not directly exposed to competition, the group operates in a competitive market particularly with regard to pricing and service. This results not only in downward pressure on margins but also the risk of not attracting new contracts. In order to mitigate the risk each company's management regularly review results of the company throughout the year and try to address any factors identified that have arisen which are considered inefficient or could impact upon results further if changes are not made.

Employee skills and retention

The group's performance depends largely on its general manager, operations staff and other key employees. The resignation of these individuals and the inability to recruit people with the right experience and skills from the local community could adversely impact upon the group's results. The board continues to monitor salaries of key personnel to ensure salaries paid remain current and at expected market levels and staff are appropriately rewarded, thus helping to motivate and retain key individuals. The company is not affected by this risk directly, since the only staff employed by the company are directors. The risk could indirectly impact upon the company however, since the main trade of 1948 Group Limited is with the subsidiary undertakings, both companies of which, rely on key employees.

1948 GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Financial key performance indicators

The company has made progress in the year under review on the group's overriding objective and the key elements of strategy for growth. The board monitors progress on the overall strategy by reference to the following KPIs:

Growth in sales

Year on year sales growth expressed as a percentage. Sales have decreased although only marginally, and this is considered primarily due to market conditions.

Growth/(reduction) in sales for 2016 are 25.94% compared with (4.8%) for 2015.

Gross profit

Gross profit is the ratio of profit on sale of products or services, expressed as a percentage.

Gross profit percentage for 2016 is 20.1% compared with 18.5% for 2015 (restated).

Other key performance indicators

Given the straight forward nature of the business activities, the directors are of the opinion that disclosure of any other KPI's is not necessary for an understanding of the results of the company.

Financial risk management

The group's funding, liquidity and exposure to interest rate risks are managed by the directors of the company. The management of this is conducted within a framework of policies and guidelines authorised by the board of the company.

The group's financial instruments comprise borrowings, cash and liquid resources, and various items such as trade debtors and trade creditors that arise directly from its operating activities. The main purpose of the financial instruments is to raise finance for the company's operations and also to support activities of the other group companies.

This is relevant with regard to the subsidiary undertaking Thanet Waste Services Limited in the respect that it relocated a few years ago. The site used by the subsidiary has been purchased by 1948 Group Limited, and the development of the Waste Transfer Station is being funded by the parent undertaking.

This is also now relevant with regard to the other trading subsidiary companies D.D.S (Demolition) Limited and DDS Environmental Limited since they have also now relocated. The new site has also been purchased by 1948 Group Limited and is being funded by the parent undertaking.

The company publishes its financial statements in pounds sterling and conducts business solely in sterling. There are some foreign currency transactions in the subsidiary undertakings but the foreign currency risk is considered minimal.

It is, and has been throughout the year under review, the company's policy that no trading in financial instruments shall be undertaken.

1948 GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Financial risk management (continued)

The main risks arising from the group's financial instruments are interest rate and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised as follows:-

Liquidity and cashflow risk

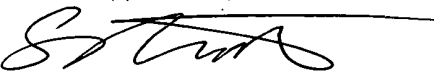
As regards liquidity, the group's policy throughout the year has been to ensure continuity of funding. The borrowing undertaken during the year is for a term of up to 15 years.

Interest rate risk

The group finances its operations primarily through bank borrowings and hire purchase and finance lease agreements. The bank borrowings are at floating rates based principally on Bank of England base rates, and finance agreements at fixed rates.

The board will consider the appropriateness of financing should the operations change significantly in size or nature.

This report was approved by the board on 21 September 2017 and signed on its behalf.


Mr S Ray
Director

1948 GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements 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 Group will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £2,239,915 (2015 -£1,323,259) (restated).

Details of dividends paid during the year are reflected in the notes to the financial statements. The directors do not recommend the payment of any further dividends for the year.

Directors

The directors who served during the year were:

Mr L J Ray
Mrs L Ray
Mr S Ray
Mr W Ray

1948 GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Future developments

A new washplant commenced usage during the year by the subsidiary undertaking Thanet Waste Services Limited and it is hoped that, given that there has been significant investment in the new facility that the gradual increase in processing of waste through the plant will help facilitate further growth in trade of the group.

The other main trading subsidiary, D.D.S (Demolition) Limited has progressed with regard to expanding it's service providing building materials and aggregates, and hopes to continue to build upon the trade already acquired.

Despite the uncertain economic outlook going forward, the group predicts modest growth in the forthcoming year.

The directors are satisfied with the financial position of the company and continue to look to the future with optimism.

Accordingly, the directors have prepared the group financial statements on a going concern basis.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

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

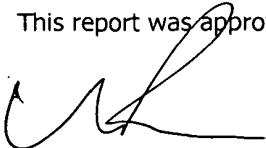
Matters covered in the strategic report

Financial risk management objectives and policies of the group are detailed in the Strategic Report.

Auditors

The auditors, Magee Gammon Corporate Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 September 2017 and signed on its behalf.



Mr W Ray
Director

1948 GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF 1948 GROUP LIMITED

We have audited the financial statements of 1948 Group Limited for the year ended 31 December 2016, set out on pages 8 to 35. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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 Directors' Responsibilities Statement on page 4, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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 31 December 2016 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, based on the work undertaken in the course of the audit, the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Directors' Report.

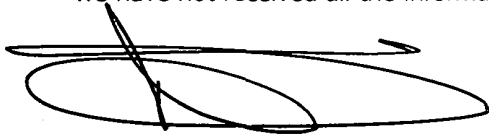
1948 GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF 1948 GROUP LIMITED (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.



Antony Timothy David Tutt F.C.A (Senior Statutory Auditor)

for and on behalf of

Magee Gammon Corporate Limited

Chartered Accountants
Statutory Auditors

Henwood House
Henwood
Ashford
Kent
TN24 8DH

21 September 2017

1948 GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016	2015
Turnover	4	25,354,971	20,133,260
Cost of sales		(20,260,156)	(16,403,112)
GROSS PROFIT		<u>5,094,815</u>	<u>3,730,148</u>
Administrative expenses		(1,907,774)	(1,766,874)
OPERATING PROFIT	5	<u>3,187,041</u>	<u>1,963,274</u>
Interest receivable and similar income	9	417	1,152
Interest payable and expenses	10	(357,083)	(314,440)
PROFIT BEFORE TAXATION		<u>2,830,375</u>	<u>1,649,986</u>
Tax on profit	11	(590,460)	(326,727)
PROFIT FOR THE YEAR		<u>£ 2,239,915</u>	<u>£ 1,323,259</u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent Company		<u>2,239,915</u>	<u>1,323,259</u>
		<u>£ 2,239,915</u>	<u>£ 1,323,259</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent Company		<u>2,239,915</u>	<u>1,323,259</u>
		<u>£ 2,239,915</u>	<u>£ 1,323,259</u>

There was no other comprehensive income for 2016 (2015:NIL).

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

1948 GROUP LIMITED
REGISTERED NUMBER:03713113

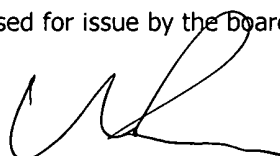
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016	2015
FIXED ASSETS			
Intangible assets	14	880,121	981,475
Tangible assets	15	17,111,850	16,599,000
		<u>17,991,971</u>	<u>17,580,475</u>
CURRENT ASSETS			
Stocks	17	108,320	112,723
Debtors: amounts falling due within one year	18	4,973,900	3,613,976
Cash at bank and in hand		891,509	430,542
		<u>5,973,729</u>	<u>4,157,241</u>
Creditors: amounts falling due within one year	19	(7,248,197)	(6,019,629)
NET CURRENT LIABILITIES		(1,274,468)	(1,862,388)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,717,503</u>	<u>15,718,087</u>
Creditors: amounts falling due after more than one year	20	(7,344,993)	(7,583,951)
PROVISIONS FOR LIABILITIES			
Deferred taxation	24	(242,922)	(289,463)
		<u>(242,922)</u>	<u>(289,463)</u>
NET ASSETS		<u>£ 9,129,588</u>	<u>£ 7,844,673</u>
CAPITAL AND RESERVES			
Called up share capital	25	1,000	1,000
Profit and loss account		9,128,588	7,843,673
		<u>£ 9,129,588</u>	<u>£ 7,844,673</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 September 2017.



Mr S Ray
Director



Mr W Ray
Director


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

1948 GROUP LIMITED
REGISTERED NUMBER:03713113

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016	2015
FIXED ASSETS			
Tangible assets	15	11,019,262	10,333,885
Investments	16	104	104
		<u>11,019,366</u>	<u>10,333,989</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	18	441,326	588,880
Cash at bank and in hand		199,695	125,628
		<u>641,021</u>	<u>714,508</u>
Creditors: amounts falling due within one year	19	(2,912,458)	(2,400,188)
NET CURRENT LIABILITIES		<u>(2,271,437)</u>	<u>(1,685,680)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,747,929</u>	<u>8,648,309</u>
Creditors: amounts falling due after more than one year	20	(5,084,377)	(5,080,547)
PROVISIONS FOR LIABILITIES			
Deferred taxation	24	(69,687)	(74,711)
		<u>(69,687)</u>	<u>(74,711)</u>
NET ASSETS		<u>£ 3,593,865</u>	<u>£ 3,493,051</u>
CAPITAL AND RESERVES			
Called up share capital	25	1,000	1,000
Profit and loss account		3,592,865	3,492,051
		<u>£ 3,593,865</u>	<u>£ 3,493,051</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 September 2017.


Mr S Ray
 Director

Mr W Ray
 Director

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

1948 GROUP LIMITED

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

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
At 1 January 2016 (as previously stated)	1,000	7,613,212	7,614,212	7,614,212
Prior year adjustment	-	230,461	230,461	230,461
At 1 January 2016 (as restated)	1,000	7,843,673	7,844,673	7,844,673
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	2,239,915	2,239,915	2,239,915
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS				
Dividends: Equity capital	-	(955,000)	(955,000)	(955,000)
AT 31 DECEMBER 2016	£ 1,000	£ 9,128,588	£ 9,129,588	£ 9,129,588

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
At 1 January 2015	1,000	6,945,414	6,946,414	6,946,414
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	1,323,259	1,323,259	1,323,259
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS				
Dividends: Equity capital	-	(425,000)	(425,000)	(425,000)
AT 31 DECEMBER 2015	£ 1,000	£ 7,843,673	£ 7,844,673	£ 7,844,673

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

1948 GROUP LIMITED

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

	Called up share capital	Profit and loss account	Total equity
At 1 January 2016 (as previously stated)	1,000	3,261,590	3,262,590
Prior year adjustment	-	230,461	230,461
At 1 January 2016 (as restated)	<u>1,000</u>	<u>3,492,051</u>	<u>3,493,051</u>
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	1,055,814	1,055,814
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS			
Dividends: Equity capital	-	(955,000)	(955,000)
AT 31 DECEMBER 2016	<u>£ 1,000</u>	<u>£ 3,592,865</u>	<u>£ 3,593,865</u>

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

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital	Profit and loss account	Total equity
At 1 January 2015	1,000	2,756,651	2,757,651
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	1,160,400	1,160,400
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS			
Dividends: Equity capital	-	(425,000)	(425,000)
AT 31 DECEMBER 2015	<u>£ 1,000</u>	<u>£ 3,492,051</u>	<u>£ 3,493,051</u>

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

1948 GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	2,239,915	1,323,259
ADJUSTMENTS FOR:		
Amortisation of intangible assets	101,354	101,125
Depreciation of tangible assets	1,765,093	1,312,985
Loss on disposal of tangible assets	(188,626)	(29,150)
Interest paid	357,083	314,440
Interest received	(417)	(1,152)
Taxation charge	590,460	326,727
Decrease/(increase) in stocks	4,403	(60,646)
(Increase)/decrease in debtors	(1,262,952)	437,016
Increase/(decrease) in creditors	1,048,100	(792,917)
Corporation tax (paid)	(577,750)	(528,434)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>4,076,663</u>	<u>2,403,253</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	-	(25,000)
Purchase of tangible fixed assets	(2,448,772)	(4,130,496)
Sale of tangible fixed assets	359,456	171,250
Interest received	417	1,152
HP interest paid	(88,266)	(58,280)
NET CASH FROM INVESTING ACTIVITIES	<u>(2,177,165)</u>	<u>(4,041,374)</u>

1948 GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
CASH FLOWS FROM FINANCING ACTIVITIES		
New secured loans	600,000	1,854,367
Repayment of loans	(521,963)	(2,399,297)
(Repayment of)/ new finance leases	(156,811)	2,132,248
Dividends paid	(955,000)	(425,000)
Interest paid	(268,817)	(256,160)
NET CASH USED IN FINANCING ACTIVITIES	(1,302,591)	906,158
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	596,907	(731,963)
Cash and cash equivalents at beginning of year	(413,583)	318,381
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	£ 183,324	£ (413,582)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	891,509	430,542
Bank overdrafts	(708,185)	(844,124)
	£ 183,324	£ (413,582)

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

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

1948 Group Limited is a private limited company incorporated in England and Wales. The Company is limited by shares and the address of its registered office is Henwood House, Henwood, Ashford, Kent, TN24 8DH. The address of the principal place of business is Charles Anthony House, Manston Road, Margate, Kent, CT9 4JW.

The registered number of the company is 03713113.

The principal activity of the company is that of property rental.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

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

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

Rendering of services

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

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

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.5 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	25% reducing balance basis
Motor vehicles	-	25% reducing balance basis
Fixtures and fittings	-	25% reducing balance basis

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.7 Stocks

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

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

2.8 Debtors

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

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.9 Financial instruments

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

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

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

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

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

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

2.10 Creditors

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

2.11 Finance costs

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

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.12 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.13 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.14 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.15 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.18 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

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

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Depreciation and residual values

The directors have reviewed the useful economic life and associated residual values for all classes of fixed assets and have concluded that asset lives and residual values are appropriately reflected.

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

4. Turnover

An analysis of turnover by class of business is as follows:

	2016	2015
Waste removal and waste recycling	11,897,138	11,574,040
Demolition and salvage	12,057,988	7,699,594
Asbestos removal and disposal	1,399,845	859,626
	<u>£ 25,354,971</u>	<u>£ 20,133,260</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2016	2015
Depreciation of tangible fixed assets	1,765,093	1,312,985
Amortisation of intangible assets, including goodwill	101,354	101,125
(Profit) on disposal of fixed assets	(188,626)	(29,150)
Operating leases	112,792	192,903
Defined contribution pension cost	<u>£ 19,536</u>	<u>£ 9,803</u>

6. Auditors' remuneration

	2016	2015
The auditing of accounts of associates of the Group pursuant to legislation	35,025	35,760
All other services	40,234	41,056
	<u>£ 75,259</u>	<u>£ 76,816</u>

	2016	2015
The auditing of accounts of associates of the Group pursuant to legislation	6,550	6,100
All other services	12,759	12,066
	<u>£ 19,309</u>	<u>£ 18,166</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

7. Employees

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

	2016	2015
Wages and salaries	4,986,539	4,422,951
Social security costs	479,789	422,522
Cost of defined contribution scheme	19,536	9,803
	<u>£ 5,485,864</u>	<u>£ 4,855,276</u>

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

	2016 No.	2015 No.
Administration	17	14
Sales and marketing	12	8
Production	135	128
Directors	5	5
	<u>169</u>	<u>155</u>

8. Directors' remuneration

	2016	2015
Directors' emoluments	100,658	103,577
Company contributions to defined contribution pension schemes	3,600	3,300
	<u>£ 104,258</u>	<u>£ 106,877</u>

During the year retirement benefits were accruing to 1 director (2015 -1) in respect of defined contribution pension schemes.

9. Interest receivable

	2016	2015
Other interest receivable	417	1,152
	<u>£ 417</u>	<u>£ 1,152</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

10. Interest payable and similar charges

	2016	2015
Bank interest payable	234,593	256,160
Other loan interest payable	34,224	-
Finance leases and hire purchase contracts	88,266	58,280
	<u>£ 357,083</u>	<u>£ 314,440</u>

11. Taxation

	2016	2015
Corporation tax		
Current tax on profits for the year	637,368	288,574
Adjustments in respect of previous periods	(367)	(10,960)
Total current tax	<u>£ 637,001</u>	<u>£ 277,614</u>
Deferred tax		
Origination and reversal of timing differences	(46,541)	49,113
Total deferred tax	<u>£ (46,541)</u>	<u>£ 49,113</u>
Taxation on profit on ordinary activities	<u>£ 590,460</u>	<u>£ 326,727</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 -higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016	2015
Profit on ordinary activities before tax	<u>£ 2,830,375</u>	<u>£ 1,649,986</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -20.25%)	566,075	334,122
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,119	5,636
Capital allowances for year in excess of depreciation	64,174	(50,959)
Adjustments to tax charge in respect of prior periods	(367)	(10,959)
Deferred tax	(46,541)	49,113
Marginal relief	-	(226)
Total tax charge for the year	<u>£ 590,460</u>	<u>£ 326,727</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

11. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2016	2015
Final dividend on A ordinary shares of £1 each	300,000	300,000
Final dividend on C ordinary shares of £1 each	335,000	55,000
Final dividend on D ordinary shares of £1 each	320,000	70,000
	<u>£ 955,000</u>	<u>£ 425,000</u>

13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £1,055,815 (2015 -£1,160,400) (restated).

14. Intangible assets

Group and Company

	Goodwill
Cost	
At 1 January 2016	2,027,087
At 31 December 2016	<u>2,027,087</u>
Amortisation	
At 1 January 2016	1,045,612
Charge for the year	101,354
At 31 December 2016	<u>1,146,966</u>
Net book value	
At 31 December 2016	<u>£ 880,121</u>
At 31 December 2015	<u>£ 981,475</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

14. Intangible assets (continued)

All of the Group's intangible fixed assets are held in the Subsidiary Undertakings.

15. Tangible fixed assets

Group

	Freehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
Cost or valuation					
At 1 January 2016	10,216,454	13,355,884	743,595	638,121	24,954,054
Additions	714,737	1,562,163	149,200	22,672	2,448,772
Disposals	-	(1,131,416)	(82,936)	-	(1,214,352)
At 31 December 2016	<u>10,931,191</u>	<u>13,786,631</u>	<u>809,859</u>	<u>660,793</u>	<u>26,188,474</u>
Depreciation					
At 1 January 2016	-	7,562,328	430,570	362,156	8,355,054
Charge for the year on owned assets	-	420,802	37,490	66,937	525,229
Charge for the year on financed assets	-	1,184,047	55,817	-	1,239,864
Disposals	-	(980,257)	(63,265)	-	(1,043,522)
At 31 December 2016	<u>-</u>	<u>8,186,920</u>	<u>460,612</u>	<u>429,093</u>	<u>9,076,625</u>
Net book value					
At 31 December 2016	<u>£ 10,931,191</u>	<u>£ 5,599,711</u>	<u>£ 349,247</u>	<u>£ 231,700</u>	<u>£ 17,111,849</u>
At 31 December 2015	<u>£ 10,216,454</u>	<u>£ 5,793,556</u>	<u>£ 313,025</u>	<u>£ 275,965</u>	<u>£ 16,599,000</u>

The net book value of land and buildings may be further analysed as follows:

	2016	2015
Freehold	<u>10,931,191</u>	<u>10,216,454</u>
	<u>£ 10,931,191</u>	<u>£ 10,216,454</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

15. Tangible fixed assets (continued)

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

	2016	2015
Plant and machinery	4,142,300	4,361,738
Motor vehicles	228,083	181,102
	<u>£ 4,370,383</u>	<u>£ 4,542,840</u>

Company

	Freehold property	Fixtures and fittings	Total
Cost or valuation			
At 1 January 2016	10,216,454	262,407	10,478,861
Additions	714,737	-	714,737
At 31 December 2016	<u>10,931,191</u>	<u>262,407</u>	<u>11,193,598</u>
Depreciation			
At 1 January 2016	-	144,976	144,976
Charge for the year on owned assets	-	29,360	29,360
At 31 December 2016	<u>-</u>	<u>174,336</u>	<u>174,336</u>
Net book value			
At 31 December 2016	<u>£ 10,931,191</u>	<u>£ 88,071</u>	<u>£ 11,019,262</u>
At 31 December 2015	<u>£ 10,216,454</u>	<u>£ 117,431</u>	<u>£ 10,333,885</u>

The net book value of land and buildings may be further analysed as follows:

	2016	2015
Freehold	10,931,191	10,216,454
	<u>£ 10,931,191</u>	<u>£ 10,216,454</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

16. Fixed asset investments

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
D.D.S (Demolition) Limited	£1 ordinary	100%	Demolition and salvage
Thanet Waste Services Limited	£1 ordinary	100%	Waste removal and waste recycling
Downfast Demolition & Salvage Limited	£1 ordinary	100%	Dormant

Indirect Subsidiary undertakings

The following were subsidiary undertakings of other Group Companies:

Name	Class of shares	Holding	Principal activity
DDS Environmental Limited	£1 ordinary	100%	Asbestos removal and disposal
T W Services (Kent) Limited	£1 ordinary	100%	Dormant
Reco Pro Limited	£1 ordinary	100%	Dormant
DDS Asbestos Services Limited	£1 ordinary	100%	Dormant
DDS Contracting Services Limited	£1 ordinary	100%	Dormant
DDS Hydraulic Services Limited	£1 ordinary	100%	Dormant

The registered office of all Companies within the Group is Henwood House, Henwood, Ashford, Kent, TN24 8DH. All Companies are included in the consolidated financial statements.

The financial statements of the dormant Companies were exempt from audit.

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves	Profit / (loss)
D.D.S (Demolition) Limited	2,851,110	1,357,314
Thanet Waste Services Limited	2,109,046	86,792
Downfast Demolition & Salvage Limited	100	-
DDS Environmental Limited	575,670	339,995
T W Services (Kent) Limited	1	-
Reco Pro Limited	1	-
	<hr/> <hr/> £ 5,535,928	<hr/> <hr/> £ 1,784,101

Financial accounts are available in respect of DDS Asbestos Services Limited, DDS Contracting Services Limited and DDS Hydraulic Services Limited for the year to 31 January 2017. All three dormant companies reflect aggregate share capital and reserves of £1.

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

16. Fixed asset investments (continued)

Company

	Investments in subsidiary companies
Cost or valuation	
At 1 January 2016	104
At 31 December 2016	104
Net book value	
At 31 December 2016	£ 104
At 31 December 2015	£ 104

17. Stocks

	Group 2016	Group 2015	Company 2016	Company 2015
Raw materials and consumables	108,320	85,494	-	-
Work in progress (goods to be sold)	-	27,229	-	-
	£ 108,320	£ 112,723	£ -	£ -

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Debtors

	Group 2016	Group 2015	Company 2016	Company 2015
Trade debtors	4,419,096	3,175,239	-	-
Amounts owed by group undertakings	-	-	440,494	546,516
Other debtors	190,006	133,875	832	42,364
Prepayments and accrued income	364,798	304,862	-	-
	£ 4,973,900	£ 3,613,976	£ 441,326	£ 588,880

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

19. Creditors: Amounts falling due within one year

	Group 2016	Group 2015	Company 2016	Company 2015
Bank overdrafts	708,185	844,124	-	-
Bank loans	737,053	662,847	737,053	662,847
Trade creditors	3,125,653	2,225,711	32,929	230,483
Amounts owed to group undertakings	-	-	1,718,082	1,187,620
Corporation tax	326,869	170,645	38,935	64,193
Other taxation and social security	453,773	495,483	483	484
Obligations under finance lease and hire purchase contracts	1,263,372	1,177,395	-	-
Other creditors	446,175	315,854	376,476	246,061
Accruals and deferred income	187,117	127,570	8,500	8,500
	<u>£ 7,248,197</u>	<u>£ 6,019,629</u>	<u>£ 2,912,458</u>	<u>£ 2,400,188</u>

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

	Group 2016	Group 2015	Company 2016	Company 2015
Bank loans	5,084,377	5,080,547	5,084,377	5,080,547
Net obligations under finance leases and hire purchase contracts	2,260,616	2,503,404	-	-
	<u>£ 7,344,993</u>	<u>£ 7,583,951</u>	<u>£ 5,084,377</u>	<u>£ 5,080,547</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

21. Loans

Bank loans and overdrafts are secured by a fixed and floating charge over the undertaking and all property and assets held by the Group. There is also a first legal charge over various properties owned by the Group.

Banking arrangements are also secured by an unlimited cross guarantee between 1948 Group Limited, D.D.S (Demolition) Limited, Thanet Waste Services Limited and Downfast Demolition & Salvage Limited.

A bank loan of £489,955 which commenced in 2006 is repayable over 15 years by monthly instalments of £2,931.51.

A bank loan with a limit of £3,500,000 was originally undertaken in 2006 and is repayable by monthly instalments of £22,832.79.

A bank loan of £1,500,000 which commenced drawdown in 2011 is repayable over 15 years by monthly instalments of £8,928.57.

A bank loan of £2,500,000, originally undertaken in 2011, is repayable over 15 years by monthly instalments of £15,339.36.

A bank loan of £500,000, which commenced drawdown in 2013, is repayable over 15 years by monthly instalments of £2,777.78.

A bank loan of £650,000, which commenced drawdown in 2014, is repayable over 15 years with monthly instalments of £3,611.11.

A bank loan of £600,000 was provided during the year and drawdown commenced 28th November 2016. The loan is repayable over 10 years with monthly instalments of £5,000.00.

The loans were reviewed on 1st July 2014 and interest payable agreed on the loans at rates between 2.65% and 4.00% above the 3 month LIBOR rate. The interest payable on the new loan provided in the comparative year is at 4.25% above the LIBOR rate.

	Group 2016	Group 2015	Company 2016	Company 2015
Amounts falling due within one year				
Bank loans	737,053	662,847	737,053	662,847
	<u>737,053</u>	<u>662,847</u>	<u>737,053</u>	<u>662,847</u>
Amounts falling due within two to five years				
Bank loans	3,119,394	2,651,387	3,119,394	2,651,387
	<u>3,119,394</u>	<u>2,651,387</u>	<u>3,119,394</u>	<u>2,651,387</u>
Amounts falling due after five years				
Bank loans	1,059,960	2,429,160	1,059,960	2,429,160
	<u>£ 1,059,960</u>	<u>£ 2,429,160</u>	<u>£ 1,059,960</u>	<u>£ 2,429,160</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2016	Group 2015
Within one year	1,263,372	1,177,395
Between 1-2 years	952,619	984,893
Between 2-5 years	1,138,981	1,114,073
Over 5 years	169,016	404,438
	<u>£ 3,523,988</u>	<u>£ 3,680,799</u>

Hire purchase and finance leases include £169,016 (2015: £404,438) in respect of repayments by instalments falling due after five years. Repayments are fixed monthly contracted amounts with rates of interest ranging from 3% to 3.7% being applied.

Obligations under finance lease and hire purchase contracts are secured on the assets concerned.

23. Financial instruments

	Group 2016	Group 2015	Company 2016	Company 2015
Financial assets				
Financial assets measured at fair value through profit or loss	891,509	430,542	199,695	125,628
Financial assets that are debt instruments measured at amortised cost	4,609,102	3,309,113	441,326	588,881
	<u>£ 5,500,611</u>	<u>£ 3,739,655</u>	<u>£ 641,021</u>	<u>£ 714,509</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(9,825,412)	(8,966,540)	(7,580,950)	(7,170,006)
	<u>£ (9,825,412)</u>	<u>£ (8,966,540)</u>	<u>£ (7,580,950)</u>	<u>£ (7,170,006)</u>

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

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, amounts owed to group undertakings, other creditors, accruals and deferred income.

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

24. Deferred taxation

Group

	2016	2015
At beginning of year	289,463	240,350
Charged to the profit or loss	(46,541)	49,113
At end of year	£ 242,922	£ 289,463

Company

	2016	2015
At beginning of year	74,711	78,644
Charged to the profit or loss	(5,024)	(3,933)
At end of year	£ 69,687	£ 74,711

	Group 2016	Group 2015	Company 2016	Company 2015
Accelerated capital allowances	242,922	289,463	69,687	74,711
	£ 242,922	£ 289,463	£ 69,687	£ 74,711

25. Share capital

	2016	2015
Shares classified as equity		
Allotted, called up and fully paid		
200 A Ordinary shares of £1 each	200	200
600 B Ordinary shares of £1 each	600	600
100 C Ordinary shares of £1 each	100	100
100 D Ordinary shares of £1 each	100	100
	£ 1,000	£ 1,000

All classes of shares rank pari passu.

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

26. Prior year adjustment

Depreciation was provided on freehold property for the year ended 31 December 2015. In the year to 31 December 2016, the accumulated depreciation on freehold property was adjusted by way of a prior year adjustment, since the assets residual values and depreciation methods were reviewed and it was considered more appropriate to not depreciate freehold property. This has resulted in an increase in retained profit by £230,461 and a corresponding increase in the net book value of tangible fixed assets.

27. Capital commitments

At 31 December 2016 the Group and Company had capital commitments as follows:

	Group 2016	Group 2015
Contracted for but not provided in these financial statements	£ -	£ 150,016
	<u>£ -</u>	<u>£ 150,016</u>

28. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £19,536 (2015: £9,803).

29. Commitments under operating leases

At 31 December 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016	Group 2015
Not later than 1 year	71,805	82,602
Later than 1 year and not later than 5 years	87,953	141,714
	<u>£ 159,758</u>	<u>£ 224,316</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

30. Related party transactions

During the year Thanet Waste Services Limited provided goods and services totalling £Nil (2015: £377) to Southwood Design & Build Limited. The amount due from Southwood Design & Build Limited at the balance sheet date was £Nil.

During the year D.D.S (Demolition) Limited provided goods and services totalling £15,097 (2015: £Nil) to Southwood Design & Build Limited. The amount due from Southwood Design & Build Limited at the balance sheet date was £Nil (2015: £Nil).

Mr L Ray, a director of the company has a material interest in the transactions by virtue of his shareholding in Southwood Design & Build Limited.

During the year D.D.S (Demolition) Limited provided goods and services totalling £361 (2015: £Nil) to Shemara (Kent) Limited. The amount due from Shemara (Kent) Limited at the balance sheet date was £Nil (2015: £Nil).

Mr W Ray, a director of the company has a material interest in the transactions by virtue of his shareholding in Shemara (Kent) Limited.

The following related party transactions occurred within the Group during the year:-

During the year the company provided goods and services in respect of rent and management charges totalling £187,000 (2015: £187,000) to D.D.S (Demolition) Limited and received goods and services totalling £Nil (2015: £Nil). The amount due to D.D.S (Demolition) Limited at the balance sheet date was £1,708,482 (2015 - £1,187,520).

During the year the company provided goods and services in respect of rent and management charges totalling £715,000 (2015: £715,000) to Thanet Waste Services Limited and received goods and services totalling £Nil (2015: £Nil). The amount due from Thanet Waste Services Limited at the balance sheet date was £440,494 (2015 - £546,516).

During the year the company provided goods and services (2015: £Nil) to DDS Environmental Limited and received goods and services totalling £9,500 (2015: £Nil). The amount due to DDS Environmental Limited at the balance sheet date was £9,500 (2015 - £Nil).

During the year D.D.S (Demolition) Limited provided goods and services totalling £30,553 (2015: £29,925) to Thanet Waste Services Limited and received goods and services totalling £1,703,690 (2015: £558,394). The amount due (to)/from Thanet Waste Services Limited at the balance sheet date was (£139,798) (2015 - £249,474).

During the year D.D.S (Demolition) Limited provided goods and services totalling £61,530 (2015: £117,387) to DDS Environmental Limited and received goods and services totalling £517,938 (2015: £592,171). The amount due from D.D.S (Demolition) Limited at the balance sheet date was £299,060 (2015 - £212,280).

During the year Thanet Waste Services Limited provided goods and services totalling £210 (2015: £27,762) to DDS Environmental Limited and received goods and services totalling £Nil (2015: £Nil). The amount due from DDS Environmental Limited at the balance sheet date was £Nil (2015 - £Nil).

All transactions were undertaken on a normal arms length basis.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

30. Related party transactions (continued)

Dividends paid to the directors during the year was as follows:

	Group 2016	Group 2015	Company 2016	Company 2015
Mr L J Ray	-	-	335,000	55,000
Mrs L Ray	-	-	320,000	70,000
Mr S Ray	-	-	150,000	150,000
Mr W Ray	-	-	150,000	150,000
	<u>£ -</u>	<u>£ -</u>	<u>£ 955,000</u>	<u>£ 425,000</u>

Remuneration of directors and key management personnel during the year was as follows:

	Group 2016	Group 2015	Company 2016	Company 2015
Remuneration of directors and key management	100,658	103,577	41,600	41,600
	<u>£ 100,658</u>	<u>£ 103,577</u>	<u>£ 41,600</u>	<u>£ 41,600</u>

31. Controlling party

Mr and Mrs L Ray, directors of the company, control the group by virtue of a combined controlling interest of 80% (2015: Mr and Mrs L Ray: 80%) of the issued share capital of the company.