

Registered number: 03713113

1948 GROUP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017

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



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 2017

Introduction

The directors present their strategic report for the group for the year ended 31st December 2017.

Business review

Group results for the year, after elimination of intra-group transactions reflects a pre-tax profit of £2.669 million for the year, achieved on consolidated turnover of £26.095 million. This compares with £2.830 million and £25.355 million respectively reflected in the previous year.

The results of the company show a pre-tax profit of £1.510 million for the year compared to last year's profit of £1.165 million. Rental income has increased upon the level achieved in the comparative year, being £1,103,235 compared with £792,049 for 2016. 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. Development of the premises and further 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 2017

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 in sales for 2017 are 2.92% compared with 25.94% for 2016.

Gross profit

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

Gross profit percentage for 2017 is 18.4% compared with 20.1% for 2016.

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 funded by the parent undertaking.

This is also relevant with regard to the other trading subsidiary companies D.D.S (Demolition) Limited and DDS Environmental Limited since they also relocated. The new site was 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 2017

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

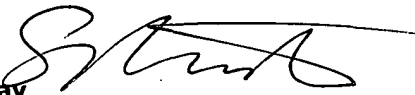
As regards liquidity, the group's policy throughout the year has been to ensure continuity of funding. The borrowing undertaken during the year is for a term of up to 15 years.

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 26 September 2018 and signed on its behalf.


Mr S Ray
Director

1948 GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and 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 £2,140,395 (2016 - £2,239,915).

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 2017

Future developments

The subsidiary undertaking Thanet Waste Services Limited previously invested in a new washplant facility and the main focus for the forthcoming year is continued increase of output from the washplant and utilising the facility to its full potential. The subsidiary has also invested in new lorries and plant which will contribute towards the continued expansion of trade and providing reliable services.

The other main trading subsidiary, D.D.S (Demolition) Limited has continued to expand its service providing building materials and aggregates, and hopes to further develop its contract work and groundworks in the forthcoming year.

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 26 September 2018 and signed on its behalf.



Mr W Ray
Director

1948 GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF 1948 GROUP LIMITED

Opinion

We have audited the financial statements of 1948 Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2017, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 December 2017 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a

1948 GROUP LIMITED

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

material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

1948 GROUP LIMITED

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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



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

26 September 2018

1948 GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017	2016
Turnover	4	26,095,199	25,354,971
Cost of sales		(21,294,920)	(20,260,156)
GROSS PROFIT		<u>4,800,279</u>	<u>5,094,815</u>
Administrative expenses		(1,812,049)	(1,907,774)
OPERATING PROFIT	5	<u>2,988,230</u>	<u>3,187,041</u>
Interest receivable and similar income	9	1,878	417
Interest payable and expenses	10	(321,518)	(357,083)
PROFIT BEFORE TAXATION		<u>2,668,590</u>	<u>2,830,375</u>
Tax on profit	11	(528,195)	(590,460)
PROFIT FOR THE FINANCIAL YEAR		<u>£ 2,140,395</u>	<u>£ 2,239,915</u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent Company		<u>2,140,395</u>	<u>2,239,915</u>
		<u>£ 2,140,395</u>	<u>£ 2,239,915</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent Company		<u>2,140,395</u>	<u>2,239,915</u>
		<u>£ 2,140,395</u>	<u>£ 2,239,915</u>

There was no other comprehensive income for 2017 (2016:NIL).

The notes on pages 16 to 38 form part of these financial statements.

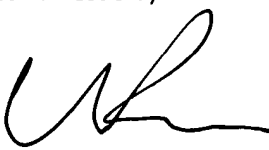
1948 GROUP LIMITED
REGISTERED NUMBER:03713113

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017	2016
FIXED ASSETS			
Intangible assets	14	778,767	880,121
Tangible assets	15	18,361,108	17,111,850
		<u>19,139,875</u>	<u>17,991,971</u>
CURRENT ASSETS			
Stocks	17	117,875	108,320
Debtors: amounts falling due within one year	18	3,964,072	4,973,900
Cash at bank and in hand		1,159,369	891,509
		<u>5,241,316</u>	<u>5,973,729</u>
Creditors: amounts falling due within one year	19	(6,089,873)	(7,248,197)
NET CURRENT LIABILITIES		(848,557)	(1,274,468)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,291,318</u>	<u>16,717,503</u>
Creditors: amounts falling due after more than one year	20	(7,546,441)	(7,344,993)
PROVISIONS FOR LIABILITIES			
Deferred taxation	24	(214,894)	(242,922)
		<u>(214,894)</u>	<u>(242,922)</u>
NET ASSETS		<u>£ 10,529,983</u>	<u>£ 9,129,588</u>
CAPITAL AND RESERVES			
Called up share capital	25	1,000	1,000
Profit and loss account		10,528,983	9,128,588
		<u>£ 10,529,983</u>	<u>£ 9,129,588</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2018.


Mr S Ray
 Director


Mr W Ray
 Director

The notes on pages 16 to 38 form part of these financial statements.

1948 GROUP LIMITED
REGISTERED NUMBER:03713113

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017	2016
FIXED ASSETS			
Tangible assets	15	11,154,321	11,019,262
Investments	16	104	104
		<u>11,154,425</u>	<u>11,019,366</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	18	495,480	441,326
Cash at bank and in hand		245,983	199,695
		<u>741,463</u>	<u>641,021</u>
Creditors: amounts falling due within one year	19	(3,111,625)	(2,912,458)
NET CURRENT LIABILITIES		<u>(2,370,162)</u>	<u>(2,271,437)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,784,263</u>	<u>8,747,929</u>
Creditors: amounts falling due after more than one year	20	(4,525,955)	(5,084,377)
PROVISIONS FOR LIABILITIES			
Deferred taxation	24	(62,787)	(69,687)
		<u>(62,787)</u>	<u>(69,687)</u>
NET ASSETS		<u>£ 4,195,521</u>	<u>£ 3,593,865</u>
CAPITAL AND RESERVES			
Called up share capital	25	1,000	1,000
Profit and loss account		4,194,521	3,592,865
		<u>£ 4,195,521</u>	<u>£ 3,593,865</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2018.

Mr S Ray
Director

Mr W Ray
Director

The notes on pages 16 to 38 form part of these financial statements.

1948 GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
At 1 January 2017	1,000	9,128,588	9,129,588	9,129,588
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	2,140,395	2,140,395	2,140,395
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS				
Dividends: Equity capital	-	(740,000)	(740,000)	(740,000)
AT 31 DECEMBER 2017	<u>£ 1,000</u>	<u>£ 10,528,983</u>	<u>£ 10,529,983</u>	<u>£ 10,529,983</u>

The notes on pages 16 to 38 form part of these financial statements.

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)	<u>1,000</u>	<u>7,843,673</u>	<u>7,844,673</u>	<u>7,844,673</u>
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	<u>£ 1,000</u>	<u>£ 9,128,588</u>	<u>£ 9,129,588</u>	<u>£ 9,129,588</u>

The notes on pages 16 to 38 form part of these financial statements.

1948 GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Profit and loss account	Total equity
At 1 January 2017	1,000	3,592,865	3,593,865
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	1,341,656	1,341,656
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS			
Dividends: Equity capital	-	(740,000)	(740,000)
AT 31 DECEMBER 2017	<u>£ 1,000</u>	<u>£ 4,194,521</u>	<u>£ 4,195,521</u>

The notes on pages 16 to 38 form part of these financial statements.

The notes on pages 16 - 38 form part of these financial statements.

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 16 to 38 form part of these financial statements.

1948 GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	2,140,395	2,239,915
ADJUSTMENTS FOR:		
Amortisation of intangible assets	101,354	101,354
Depreciation of tangible assets	1,895,960	1,765,093
Loss on disposal of tangible assets	(215,942)	(188,626)
Interest paid	321,518	357,083
Interest received	(1,878)	(417)
Taxation charge	528,195	590,460
(Increase)/decrease in stocks	(9,555)	4,403
Decrease/(increase) in debtors	836,871	(1,262,952)
(Decrease)/increase in creditors	(532,037)	1,048,100
Corporation tax (paid)	(523,006)	(577,750)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>4,541,875</u>	<u>4,076,663</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(3,519,631)	(2,448,772)
Sale of tangible fixed assets	590,355	359,456
Interest received	1,878	417
HP interest paid	(104,307)	(88,266)
NET CASH FROM INVESTING ACTIVITIES	<u>(3,031,705)</u>	<u>(2,177,165)</u>

1948 GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES		
New secured loans	2,219,363	600,000
Repayment of loans	(2,755,221)	(521,963)
Repayment of/new finance leases	943,816	(156,811)
Dividends paid	(740,000)	(955,000)
Interest paid	(217,211)	(268,817)
NET CASH USED IN FINANCING ACTIVITIES	<u>(549,253)</u>	<u>(1,302,591)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	960,917	596,907
Cash and cash equivalents at beginning of year	183,324	(413,583)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>£ 1,144,241</u>	<u>£ 183,324</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	1,159,369	891,509
Bank overdrafts	(15,128)	(708,185)
	<u>£ 1,144,241</u>	<u>£ 183,324</u>

The notes on pages 16 to 38 form part of these financial statements.

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 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 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 2017

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 2017

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.

Land is not depreciated. Depreciation on other assets 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 2017

2. Accounting policies (continued)

2.9 Financial instruments

The Group only enters into basic financial instrument 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 the 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.

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

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 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.12 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.

2.13 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.

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.14 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.

2.15 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.

2.16 Interest income

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

2.17 Borrowing costs

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

2.18 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 2017

2. Accounting policies (continued)

2.19 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 2017

4. Turnover

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

	2017	2016
Waste removal and waste recycling	13,145,141	11,897,138
Demolition and salvage	11,956,939	12,057,988
Asbestos removal and disposal	993,119	1,399,845
	<u>£ 26,095,199</u>	<u>£ 25,354,971</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017	2016
Depreciation of tangible fixed assets	1,895,960	1,765,093
Amortisation of intangible assets, including goodwill	101,354	101,354
(Profit) on disposal of fixed assets	(215,942)	(188,626)
Operating leases	110,608	112,792
Defined contribution pension cost	22,731	19,536
Difference on foreign exchange	<u>£ 13,795</u>	<u>£ -</u>

6. Auditors' remuneration

	2017	2016
The auditing of accounts of associates of the Group pursuant to legislation	35,900	35,025
All other services	44,378	40,234
	<u>£ 80,278</u>	<u>£ 75,259</u>

	2017	2016
The auditing of accounts of associates of the Company pursuant to legislation	6,875	6,550
All other services	15,221	12,759
	<u>£ 22,096</u>	<u>£ 19,309</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

7. Employees

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

	Group 2017	Group 2016	Company 2017	Company 2016
Wages and salaries	5,338,928	4,986,539	41,600	41,600
Social security costs	523,880	479,789	1,263	1,263
Cost of defined contribution scheme	22,731	19,536	-	-
	<u>£ 5,885,539</u>	<u>£ 5,485,864</u>	<u>£ 42,863</u>	<u>£ 42,863</u>

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

	Group 2017 No.	Group 2016 No.	Company 2017 No.	Company 2016 No.
Administration	20	17	-	-
Sales and marketing	11	12	-	-
Production	138	135	-	-
Directors	5	5	4	4
	<u>174</u>	<u>169</u>	<u>4</u>	<u>4</u>

8. Directors' remuneration

	2017	2016
Directors' emoluments	110,754	100,658
Company contributions to defined contribution pension schemes	3,600	3,600
	<u>£ 114,354</u>	<u>£ 104,258</u>

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

9. Interest receivable

	2017	2016
Other interest receivable	1,878	417
	<u>£ 1,878</u>	<u>£ 417</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

10. Interest payable and similar expenses

	2017	2016
Bank interest payable	208,024	234,593
Other loan interest payable	8,556	34,224
Finance leases and hire purchase contracts	104,307	88,266
Other interest payable	631	-
	<u>£ 321,518</u>	<u>£ 357,083</u>

11. Taxation

	2017	2016
Corporation tax		
Current tax on profits for the year	556,223	637,368
Adjustments in respect of previous periods	-	(367)
Total current tax	<u>£ 556,223</u>	<u>£ 637,001</u>
Deferred tax		
Origination and reversal of timing differences	(28,028)	(46,541)
Total deferred tax	<u>£ (28,028)</u>	<u>£ (46,541)</u>
Taxation on profit on ordinary activities	<u>£ 528,195</u>	<u>£ 590,460</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017	2016
Profit on ordinary activities before tax	£ 2,668,590	£ 2,830,375
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	513,704	566,075
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,761	7,119
Capital allowances for year in excess of depreciation	35,858	64,174
Adjustments to tax charge in respect of prior periods	-	(367)
Deferred tax	(28,028)	(46,541)
Marginal relief	(100)	-
Total tax charge for the year	£ 528,195	£ 590,460

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2017	2016
Final dividend on A ordinary shares of £1 each	300,000	300,000
Final dividend on B ordinary shares of £1 each	200,000	-
Final dividend on C ordinary shares of £1 each	40,000	335,000
Final dividend on D ordinary shares of £1 each	-	320,000
Final dividend on E ordinary shares of £1 each	200,000	-
	£ 740,000	£ 955,000

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 £1,341,656 (2016 : £1,055,814).

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

14. Intangible assets

Group and Company

	Goodwill
Cost	
At 1 January 2017	2,027,087
At 31 December 2017	<u>2,027,087</u>
Amortisation	
At 1 January 2017	1,146,966
Charge for the year	<u>101,354</u>
At 31 December 2017	<u>1,248,320</u>
Net book value	
At 31 December 2017	£ <u><u>778,767</u></u>
At 31 December 2016	£ <u><u>880,121</u></u>

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

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

15. Tangible fixed assets

Group

	Freehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
Cost or valuation					
At 1 January 2017	10,931,191	13,786,631	809,859	660,793	26,188,474
Additions	159,082	3,152,299	184,738	23,513	3,519,632
Disposals	(2,000)	(2,093,098)	(187,708)	(38,306)	(2,321,112)
At 31 December 2017	<u>11,088,273</u>	<u>14,845,832</u>	<u>806,889</u>	<u>646,000</u>	<u>27,386,994</u>
Depreciation					
At 1 January 2017	-	8,186,920	460,612	429,093	9,076,625
Charge for the year on owned assets	-	418,786	43,759	55,973	518,518
Charge for the year on financed assets	-	1,308,276	69,166	-	1,377,442
Disposals	-	(1,749,606)	(165,315)	(31,778)	(1,946,699)
At 31 December 2017	<u>-</u>	<u>8,164,376</u>	<u>408,222</u>	<u>453,288</u>	<u>9,025,886</u>
Net book value					
At 31 December 2017	<u>£ 11,088,273</u>	<u>£ 6,681,456</u>	<u>£ 398,667</u>	<u>£ 192,712</u>	<u>£ 18,361,108</u>
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>

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

	2017	2016
Freehold	11,088,273	10,931,191
	<u>£ 11,088,273</u>	<u>£ 10,931,191</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

15. Tangible fixed assets (continued)

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

	2017	2016
Plant and machinery	5,079,371	4,142,300
Motor vehicles	231,479	228,083
	<u>£ 5,310,850</u>	<u>£ 4,370,383</u>

Company

	Freehold property	Fixtures and fittings	Total
Cost or valuation			
At 1 January 2017	10,931,191	262,407	11,193,598
Additions	159,082	-	159,082
Disposals	(2,000)	-	(2,000)
At 31 December 2017	<u>11,088,273</u>	<u>262,407</u>	<u>11,350,680</u>
Depreciation			
At 1 January 2017	-	174,336	174,336
Charge for the year on owned assets	-	22,023	22,023
At 31 December 2017	<u>-</u>	<u>196,359</u>	<u>196,359</u>
Net book value			
At 31 December 2017	<u>£ 11,088,273</u>	<u>£ 66,048</u>	<u>£ 11,154,321</u>
At 31 December 2016	<u>£ 10,931,191</u>	<u>£ 88,071</u>	<u>£ 11,019,262</u>

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

	2017	2016
Freehold	11,088,273	10,931,191
	<u>£ 11,088,273</u>	<u>£ 10,931,191</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017 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	3,464,771	913,661
Thanet Waste Services Limited	2,228,351	419,305
Downfast Demolition & Salvage Limited	100	-
DDS Environmental Limited	641,442	65,772
T W Services (Kent) Limited	1	-
Reco Pro Limited	1	-
DDS Asbestos Services Limited	1	-
DDS Contracting Services Limited	1	-
DDS Hydraulic Services Limited	1	-
	<u>£ 6,334,669</u>	<u>£ 1,398,738</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

16. Fixed asset investments (continued)

Company

	Investments in subsidiary companies
Cost or valuation	
At 1 January 2017	104
At 31 December 2017	104
Net book value	
At 31 December 2017	£ 104
At 31 December 2016	£ 104

17. Stocks

	Group 2017	Group 2016	Company 2017	Company 2016
Raw materials and consumables	74,454	108,320	-	-
Work in progress (goods to be sold)	43,421	-	-	-
	<u>£ 117,875</u>	<u>£ 108,320</u>	<u>£ -</u>	<u>£ -</u>

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

18. Debtors

	Group 2017	Group 2016	Company 2017	Company 2016
Trade debtors	3,414,999	4,419,096	-	-
Amounts owed by group undertakings	-	-	366,397	440,494
Other debtors	200,382	190,006	129,083	832
Prepayments and accrued income	348,691	364,798	-	-
	<u>£ 3,964,072</u>	<u>£ 4,973,900</u>	<u>£ 495,480</u>	<u>£ 441,326</u>

Included within other debtors due within one year is a loan to Mr L J Ray and Mrs L Ray, directors of 1948 Group Limited, amounting to £129,083 (2016: £Nil).

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

19. Creditors: Amounts falling due within one year

	Group 2017	Group 2016	Company 2017	Company 2016
Bank overdrafts	15,128	708,185	-	-
Bank loans	759,617	737,053	759,617	737,053
Trade creditors	2,933,562	3,125,653	29,989	32,929
Amounts owed to group undertakings	-	-	2,025,188	1,718,082
Corporation tax	187,128	326,869	74,351	38,935
Other taxation and social security	351,602	453,773	482	483
Obligations under finance lease and hire purchase contracts	1,447,318	1,263,372	-	-
Other creditors	279,586	446,175	213,498	376,476
Accruals and deferred income	115,932	187,117	8,500	8,500
	<u>£ 6,089,873</u>	<u>£ 7,248,197</u>	<u>£ 3,111,625</u>	<u>£ 2,912,458</u>

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

	Group 2017	Group 2016	Company 2017	Company 2016
Bank loans	4,525,955	5,084,377	4,525,955	5,084,377
Net obligations under finance leases and hire purchase contracts	3,020,486	2,260,616	-	-
	<u>£ 7,546,441</u>	<u>£ 7,344,993</u>	<u>£ 4,525,955</u>	<u>£ 5,084,377</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 £17,219.68.

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 last review of bank loans was completed in July 2018 and interest payable agreed on the bank loans at rates between 2.65% and 4.25% above the LIBOR rate.

	Group 2017	Group 2016	Company 2017	Company 2016
Amounts falling due within one year				
Bank loans	759,617	737,053	759,617	737,053
	<u>759,617</u>	<u>737,053</u>	<u>759,617</u>	<u>737,053</u>
Amounts falling due within two to five years				
Bank loans	2,840,478	3,119,394	2,840,478	3,119,394
	<u>2,840,478</u>	<u>3,119,394</u>	<u>2,840,478</u>	<u>3,119,394</u>
Amounts falling due after five years				
Bank loans	876,150	1,059,960	876,150	1,059,960
	<u>£ 876,150</u>	<u>£ 1,059,960</u>	<u>£ 876,150</u>	<u>£ 1,059,960</u>

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017	Group 2016
Within one year	1,447,318	1,263,372
Between 1-5 years	1,119,828	952,619
Between 2-5 year	1,900,658	1,138,981
Over 5 years	-	169,016
	<u>£ 4,467,804</u>	<u>£ 3,523,988</u>

Hire purchase and finance leases include £Nil (2016 : £169,016) in respect of repayments by instalments falling due after five years. Repayments are fixed monthly contracted amounts with rates of interest between 3% to 3.7% being applied.

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

23. Financial instruments

	Group 2017	Group 2016	Company 2017	Company 2016
Financial assets				
Financial assets measured at fair value through profit or loss	1,159,369	891,509	245,983	199,695
Financial assets that are debt instruments measured at amortised cost	3,476,922	4,435,313	366,397	440,495
Financial assets that are equity instruments measured at cost less impairment	-	-	-	-
	<u>£ 4,636,291</u>	<u>£ 5,326,822</u>	<u>£ 612,380</u>	<u>£ 640,190</u>

Financial liabilities

Financial liabilities measured at amortised cost £ (8,368,608) £ (9,825,416) £ (7,349,258) £ (7,580,950)

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

Financial assets that are debt instruments 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 2017

24. Deferred taxation

Group

	2017	2016
At beginning of year	242,922	289,463
Charged to profit or loss	(28,028)	(46,541)
At end of year	£ 214,894	£ 242,922

Company

	2017	2016
At beginning of year	69,687	74,711
Charged to profit or loss	(6,900)	(5,024)
At end of year	£ 62,787	£ 69,687

	Group 2017	Group 2016	Company 2017	Company 2016
Accelerated capital allowances	214,894	242,922	62,787	69,687
	£ 214,894	£ 242,922	£ 62,787	£ 69,687

25. Share capital

	2017	2016
Allotted, called up and fully paid		
200 A Ordinary shares of £1 each	200	200
300 (2016 - 600) B Ordinary shares of £1 each	300	600
100 C Ordinary shares of £1 each	100	100
100 D Ordinary shares of £1 each	100	100
300 E Ordinary shares of £1 each	300	-
	£ 1,000	£ 1,000

On 24 April 2017, 300 B ordinary shares of £1 each were redesignated as 300 E ordinary shares of £1 each.

All classes of shares rank pari passu.

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

26. Capital commitments

At 31 December 2017 the Group and Company had capital commitments as follows:

	Group 2017	Group 2016
Contracted for but not provided in these financial statements	£ 1,572,850	£ -

27. 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 £22,731 (2016: £19,536).

28. Commitments under operating leases

At 31 December 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017	Group 2016
Not later than 1 year	66,561	70,745
Later than 1 year and not later than 5 years	51,551	101,881
	£ 118,112	£ 172,626

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

29. Related party transactions

During the year D.D.S (Demolition) Limited provided goods and services totalling £Nil (2016: £15,097) to Southwood Design & Build Limited. The amount due from Southwood Design & Build Limited at the balance sheet date was £Nil (2016: £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 £19,188 (2016: £361) to Shemara (Kent) Limited. The amount due from Shemara (Kent) Limited at the balance sheet date was £Nil (2016: £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 £442,200 (2016: £187,000) to D.D.S (Demolition) Limited and received goods and services totalling £Nil (2016: £Nil). The amount due to D.D.S (Demolition) Limited at the balance sheet date was £1,746,784 (2016: £1,708,482).

During the year the company provided goods and services in respect of rent and management charges totalling £760,000 (2016: £715,000) to Thanet Waste Services Limited and received goods and services totalling £Nil (2016: £Nil). The amount due from Thanet Waste Services Limited at the balance sheet date was £366,397 (2016: £440,494).

During the year the company provided goods and services of £Nil (2016: £Nil) to DDS Environmental Limited and received goods and services totalling £Nil (2016: £9,500). DDS Environmental Limited also provided funds of £250,000 to 1948 Group Limited during the year. The amount due to DDS Environmental Limited at the balance sheet date was £278,303 (2016: £9,500).

During the year D.D.S (Demolition) Limited provided goods and services totalling £23,172 (2016: £30,553) to Thanet Waste Services Limited and received goods and services totalling £754,532 (2016: £1,703,690). The amount due from/(to) Thanet Waste Services Limited at the balance sheet date was £207,747 (2016: (£139,798)).

During the year D.D.S (Demolition) Limited provided goods and services totalling £68,314 (2016: £61,530) to DDS Environmental Limited and received goods and services totalling £465,263 (2016: £517,938). The amount due from D.D.S (Demolition) Limited at the balance sheet date was £167,519 (2016: £299,060).

During the year Thanet Waste Services Limited provided goods and services totalling £649 (2016: £210) to DDS Environmental Limited and received goods and services totalling £780 (2016: £Nil). The amount due from DDS Environmental Limited at the balance sheet date was £Nil (2016: £Nil).

All transactions were undertaken on a normal arms length basis.

1948 GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

29. Related party transactions (continued)

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

	Group 2017	Group 2016	Company 2017	Company 2016
Mr L J Ray	200,000	335,000	200,000	335,000
Mrs L Ray	200,000	320,000	200,000	320,000
Mr S Ray	190,000	150,000	190,000	150,000
Mr W Ray	150,000	150,000	150,000	150,000
	<u>£ 740,000</u>	<u>£ 955,000</u>	<u>£ 740,000</u>	<u>£ 955,000</u>

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

	Group 2017	Group 2016	Company 2017	Company 2016
Remuneration of directors and key management	110,754	100,658	41,600	41,600
	<u>£ 110,754</u>	<u>£ 100,658</u>	<u>£ 41,600</u>	<u>£ 41,600</u>

30. Controlling party

Mr and Mrs L Ray, directors of the company, control the group by virtue of a combined controlling interest of 60% (2016: Mr and Mrs L Ray: 80%) of the issued share capital of the company.