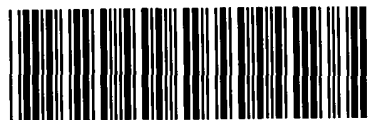


Company Registration No. 03908728 (England and Wales)

TSG BUILDING SERVICES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

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TSG BUILDING SERVICES PLC

COMPANY INFORMATION

Directors	S J Gwynn J P Holloway B L Rees A J Thrussell B P Thrussell C A Thrussell R J Glendinning	(Appointed 1 May 2015)
Secretary	R J Glendinning	
Company number	03908728	
Registered office	TSG House Cranbourne Industrial Estate Carnborne Road Potters Bar Herts EN6 3JN	
Auditors	Newton & Garner Limited Chartered Accountants Building 2 30 Friern Park North Finchley London N12 9DA	

TSG BUILDING SERVICES PLC

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
<i>Statement of changes in equity</i>	8
Statement of cash flows	9
Notes to the financial statements	10 - 21

TSG BUILDING SERVICES PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2016

The directors present the strategic report and financial statements for the year ended 30 April 2016.

Fair review of the business

TSG Building Services PLC (TSG), have secured contracts in the year that have increased turnover to £36,238,050 (£2015 - £33,256,965), whilst maintaining a healthy gross margin at 17.0% (2015 - 16.8%). Operating profit also improved on last year to £1,891,990 (2015 - £1,742,734).

The increased turnover over the past few years has been as a direct result of the hard work and focus of the company's directors and employees. Even in response to challenging market conditions we have continued to manage our overheads by implementing continued improvements in both process and infrastructure. This has resulted in one off costs in the year. Our investment in IT has and will continue to provide internal efficiencies that will allow us to focus on new opportunities as they arise.

The company continues to focus on sustainable growth and providing the services and customer care our clients expect from us. The divisions of the company can provide adaptable solutions for the many different types of services and products our clients demand.

The company successfully obtained new client contracts in the year and the directors continue to seek new opportunities with improved margins. The market is still very competitive and the directors expect this to continue in the coming year.

Principal risks and uncertainties

The UK market place remains highly competitive and losing sales to key competitors is a continued risk to the company. The company manages this risk by ensuring the high quality levels of its products and services is sustained and that it continues to build and hold strong relationships with its customers.

Development and performance

The UK market has remained competitive over the past twelve months, however the number of new opportunities for the company have continued to grow over the year. The company has continued to develop operational efficiencies and is seeking further cost reductions by building stronger and more robust internal practices through the development of its technologies. We expect to see further expansion of the companies work streams in the area of commercial gas installations and maintenance. The company has invested in the resources to drive this forward and will also continue to invest in our core business and further growth is expected in the coming years. We will continue to add value from the services and products we provide our clients and maintain sustainable growth going forward.

Key performance indicators

PROFITABILITY RATIOS:	2016	2015	2014
Gross Profit (%)	17.0%	16.8%	16.5%
Profit before Tax (%)	5.2%	5.2%	2.9%
EMPLOYEE RATIOS:	2016	2015	2014
No. of Employees	244	228	185
Profit/Employee (£'000)	7.7	7.6	4.4

The directors monitor the gross margin achieved on each project and utilise the resources available to maximise profits for the company.

By order of the board


.....
R J Glendinning

Secretary

21th October 2016
.....

TSG BUILDING SERVICES PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2016

The directors present their annual report and financial statements for the year ended 30 April 2016.

Principal activities

The principal activity of the company was that of the provision of building services to Social Housing groups.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S J Gwynn

J P Holloway

B L Rees

A J Thrussell

B P Thrussell

C A Thrussell

R J Glendinning

(Appointed 1 May 2015)

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £1,000,000. The directors do not recommend payment of a final dividend.

Auditors

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

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Financial instruments and risk management

The company's financial assets and liabilities consist of trade debtors and creditors, cash balances, finance leases and bank borrowings.

The directors manage the company's exposure to financial risk by researching the credit worthiness of customers and by seeking advice from the company's providers of finance.

By order of the board



R J Glendinning

Secretary

26th October 2016

TSG BUILDING SERVICES PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2016

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

TSG BUILDING SERVICES PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TSG BUILDING SERVICES PLC

We have audited the financial statements of TSG BUILDING SERVICES PLC for the year ended 30 April 2016 set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 and of its 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

TSG BUILDING SERVICES PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TSG BUILDING SERVICES PLC

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

R Knight

Robert Knight, FCCA, ATII (Senior Statutory Auditor)
for and on behalf of Newton & Garner Limited

26th October 2016
.....

Chartered Accountants
Statutory Auditor

Chartered Accountants
Building 2
30 Friern Park
North Finchley
London
N12 9DA

TSG BUILDING SERVICES PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	2015 £
Turnover	3	36,238,050	33,256,965
Cost of sales		(30,086,323)	(27,671,027)
Gross profit		6,151,727	5,585,938
Administrative expenses		(4,259,737)	(3,844,004)
Other operating income		-	800
Operating profit	4	1,891,990	1,742,734
Interest receivable and similar income	7	3,047	2,184
Interest payable and similar charges	8	(23,587)	(22,918)
Profit before taxation		1,871,450	1,722,000
Taxation	9	(391,304)	(385,589)
Profit for the financial year		1,480,146	1,336,411
Total comprehensive income for the year		1,480,146	1,336,411

The profit and loss account has been prepared on the basis that all operations are continuing operations.

TSG BUILDING SERVICES PLC

BALANCE SHEET

AS AT 30 APRIL 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11	993,681		1,121,808	
Investment properties	12	175,000		-	
		<u>1,168,681</u>		<u>1,121,808</u>	
Current assets					
Stocks	14	77,598		184,449	
Debtors	15	8,416,563		6,898,010	
Cash at bank and in hand		2,343,302		3,199,991	
		<u>10,837,463</u>		<u>10,282,450</u>	
Creditors: amounts falling due within one year	16	<u>(7,948,282)</u>		<u>(7,793,440)</u>	
Net current assets		2,889,181		2,489,010	
Total assets less current liabilities		<u>4,057,862</u>		<u>3,610,818</u>	
Creditors: amounts falling due after more than one year	17	(173,257)		(208,473)	
Provisions for liabilities	19	(37,194)		(35,080)	
Net assets		<u><u>3,847,411</u></u>		<u><u>3,367,265</u></u>	
Capital and reserves					
Called up share capital	22	54,000		54,000	
Revaluation reserve		41,423		41,423	
Capital redemption reserve		6,000		6,000	
Profit and loss reserves		3,745,988		3,265,842	
Total equity		<u><u>3,847,411</u></u>		<u><u>3,367,265</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 26th October 2016 and are signed on its behalf by:



A J Thrussell
Director

Company Registration No. 03908728

TSG BUILDING SERVICES PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2016

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2014		54,000	41,423	6,000	2,019,431	2,120,854
Period ended 30 April 2015:						
Profit and total comprehensive income for the year		-	-	-	1,336,411	1,336,411
Dividends	10	-	-	-	(90,000)	(90,000)
Balance at 30 April 2015		54,000	41,423	6,000	3,265,842	3,367,265
Period ended 30 April 2016:						
Profit and total comprehensive income for the year		-	-	-	1,480,146	1,480,146
Dividends	10	-	-	-	(1,000,000)	(1,000,000)
Balance at 30 April 2016		54,000	41,423	6,000	3,745,988	3,847,411

TSG BUILDING SERVICES PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	26		(144,652)		577,424
Interest paid			(23,587)		(22,918)
Income taxes paid			(374,035)		(173,752)
Net cash (outflow)/inflow from operating activities			(542,274)		380,754
Investing activities					
Purchase of tangible fixed assets		(111,506)		(44,638)	
Proceeds on disposal of tangible fixed assets		1,200		3,518	
Interest received		3,047		2,184	
Net cash used in investing activities			(107,259)		(38,936)
Financing activities					
Repayment of borrowings		828,060		-	
Repayment of bank loans		(35,216)		(33,769)	
Dividends paid		(1,000,000)		(90,000)	
Net cash used in financing activities			(207,156)		(123,769)
Net (decrease)/increase in cash and cash equivalents			(856,689)		218,049
Cash and cash equivalents at beginning of year			3,199,991		2,981,942
Cash and cash equivalents at end of year			2,343,302		3,199,991

TSG BUILDING SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

Company information

TSG BUILDING SERVICES PLC is a company limited by shares incorporated in England and Wales. The registered office is TSG House, Cranbourne Industrial Estate, Carnborne Road, Potters Bar, Herts, EN6 3JN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts is recognised by reference to the state of completion when the state of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to labour and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	Held at open market value
Plant and machinery	10% - 25% of cost per annum
Fixtures, fittings & equipment	10% of cost per annum
Motor vehicles	25% of cost per annum

TSG BUILDING SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in creditors falling due within one year.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

TSG BUILDING SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

TSG BUILDING SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Revenue Recognition

The company assess the most likely outcome of each contract based on a number of technical & contractual factors. The company applies a prudent approach in assessing the carrying value in amounts recoverable on contracts and will provide for any debts not deemed recoverable.

Freehold and Investment Properties

The properties was valued at open market value by the directors and by using independent assessments from RONA partnership and JR property services in 2014. The directors do not consider the value has altered significantly since this date. There are significant judgements and estimates involved in arriving at a value.

TSG BUILDING SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Building services	36,238,050	33,256,965

Other significant revenue

Interest income	3,047	2,184
-----------------	-------	-------

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	36,238,050	33,256,965

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	19,500	17,500
Depreciation of owned tangible fixed assets	60,565	44,790
(Loss)/profit on disposal of tangible fixed assets	2,868	(1,709)
Operating lease charges	590,413	603,316

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Office and administration	73	64
Production and site	171	160
	244	224

TSG BUILDING SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

5 Employees (Continued)

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	8,498,105	7,627,294
Social security costs	859,408	806,517
Pension costs	119,227	106,115
	<u>9,476,740</u>	<u>8,539,926</u>

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	724,654	609,065
Company pension contributions to defined contribution schemes	24,412	13,316
	<u>749,066</u>	<u>622,381</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2015 - 6).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	132,091	131,024
Company pension contributions to defined contribution schemes	7,500	7,500
	<u></u>	<u></u>

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	3,047	2,184
	<u></u>	<u></u>

8 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and loans	5,074	11,275
Other interest	18,513	11,643
	<u>23,587</u>	<u>22,918</u>

TSG BUILDING SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

9 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	389,190	374,341
Deferred tax		
Origination and reversal of timing differences	2,114	11,248
Total tax charge	391,304	385,589

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2016 £	2015 £
Profit before taxation	1,871,450	1,722,000
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.90%)	374,290	359,898
Tax effect of expenses that are not deductible in determining taxable profit	18,050	16,497
Effect of change in corporation tax rate	(1,036)	-
Deferred tax adjustments in respect of prior years	-	9,194
Tax expense for the year	391,304	385,589

10 Dividends

	2016 £	2015 £
Interim paid	1,000,000	90,000
	1,000,000	90,000

TSG BUILDING SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

11 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2015	955,000	213,585	-	124,636	1,293,221
Additions	8,000	35,937	9,250	58,319	111,506
Disposals	-	-	-	(8,490)	(8,490)
Transfer to investment property	(175,000)	-	-	-	(175,000)
At 30 April 2016	788,000	249,522	9,250	174,465	1,221,237
Depreciation and impairment					
At 1 May 2015	-	116,736	-	54,677	171,413
Depreciation charged in the year	-	22,892	925	36,748	60,565
Eliminated in respect of disposals	-	-	-	(4,422)	(4,422)
At 30 April 2016	-	139,628	925	87,003	227,556
Carrying amount					
At 30 April 2016	788,000	109,894	8,325	87,462	993,681
At 30 April 2015	955,000	96,849	-	69,959	1,121,808

The land and buildings was valued at open market value by the directors and by using independent assessments from RONA partnership in April 2014. The directors do not consider the value has altered significantly since this date.

12 Investment property

	2016 £
Fair value	
At 1 May 2015	-
Transfers from owner-occupied property	175,000
At 30 April 2016	175,000

The properties was valued at open market value by the directors and by using independent assessments from JR property services in 2014. The directors do not consider the value has altered significantly since this date.

13 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	5,724,744	4,543,772
Carrying amount of financial liabilities		
Measured at amortised cost	7,338,090	6,944,450

TSG BUILDING SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

(Continued)

13 Financial instruments

14 Stocks

	2016 £	2015 £
Raw materials and consumables	77,598	184,449

15 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	5,380,622	4,526,722
Gross amounts due from contract customers	2,343,221	1,892,640
Other debtors	383,506	17,050
Prepayments and accrued income	309,214	461,598
	<u>8,416,563</u>	<u>6,898,010</u>

All debtors fall due within one year, except for £521,622 (2015 - £291,270), which falls due after more than one year.

16 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Loans and overdrafts	18	873,455	45,395
Trade creditors		5,749,908	6,442,284
Corporation tax		389,198	374,043
Other taxation and social security		394,251	683,420
Other creditors		147,528	50,181
Accruals and deferred income		393,942	198,117
		<u>7,948,282</u>	<u>7,793,440</u>

17 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Loans and overdrafts	18	173,257	208,473

Amounts included above which fall due after five years are as follows:

Payable by instalments	18,710	62,301
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TSG BUILDING SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

18 Loans and overdrafts

	2016 £	2015 £
Bank loans	218,652	253,868
Directors' loans	828,060	-
	<u>1,046,712</u>	<u>253,868</u>
Payable within one year	873,455	45,395
Payable after one year	<u>173,257</u>	<u>208,473</u>

The bank loan is secured by a fixed charge over the property held by the company and is at a rate of 3.75% over the bank base rate repayable over ten years.

The directors' loan are unsecured, interest free and repayable on demand. The loans represents amounts owed to C A Thrussell, B P Thrussell and A J Thrussell,

19 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	37,194	35,080
	<u>37,194</u>	<u>35,080</u>

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	26,184	24,070
Revaluations	<u>11,010</u>	<u>11,010</u>
	<u>37,194</u>	<u>35,080</u>

TSG BUILDING SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

20	Deferred taxation	(Continued)
		2016 £
	Movements in the year:	
	Liability at 1 May 2015	35,080
	Charge to profit or loss	3,150
	Effect of change in tax rate - profit or loss	(1,036)
	Liability at 30 April 2016	37,194

21 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £119,227 (2015 - £106,115).

22 Share capital

	2016 £	2015 £
Ordinary share capital		
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Issued and fully paid		
54,000 Ordinary shares of £1 each	54,000	54,000

23 Financial commitments, guarantees and contingent liabilities

Bonds to Local Authorities are £250,000 (2015 - £250,000).

Barclays Bank PLC have a fixed and floating charge on 10 Maynard Place, Cuffley.

24 Operating lease commitments

Lessee

At 30th April 2016 there were annual commitments under non-cancellable operating leases as follows:

	2016 £	2015 £
Within one year	163,731	96,649
Between one and five years	27,524	155,233
After five years	-	-

TSG BUILDING SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

24 Operating lease commitments

(Continued)

25 Related party transactions

A J Thrussell, B P Thrussell and R J Glendinning are directors of Swift Contact Ltd. During the year the company had the following transactions with Swift Contact Ltd: -

- The company made sales of £156,258 in respect of management services. The balance remains outstanding at the year end.
- Swift Contact Ltd made sales of £253,112 to the company and the balance remains outstanding at the year end.

26 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	1,480,146	1,336,411
Adjustments for:		
Taxation charged	391,304	385,589
Finance costs	23,587	22,918
Investment income	(3,047)	(2,184)
Loss/(gain) on disposal of tangible fixed assets	2,868	(1,709)
Depreciation and impairment of tangible fixed assets	60,565	44,790
Movements in working capital:		
Decrease in stocks	106,851	70,123
(Increase) in debtors	(1,479,169)	(1,624,615)
(Decrease)/increase in creditors	(727,757)	346,101
Cash (absorbed by)/generated from operations	(144,652)	577,424