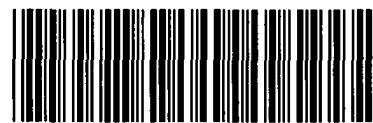


CROWN HIGHWAYS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

FRIDAY



A7KR6RKB

A19

14/12/2018

#154

COMPANIES HOUSE



MHA MacIntyre Hudson
Local excellence. National experience. Global expertise®

CROWN HIGHWAYS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11 - 12
Notes to the financial statements	13 - 25

CROWN HIGHWAYS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

Introduction

I am pleased to report on the company's result for the year ended 31 March 2018.

Business review

The principal activity of the company remains that of civil engineering, highway works, street lighting, traffic signs, technology and loop detectors.

The Company took a strategic decision to step back from large scale, reduced margin contracts and to re-embrace smaller quick win schemes/contracts. This customer base is currently in place and we will look to be selective in our choice of contracts based on deliverability, risk and value. The loss of a contract is the main risk faced by the Company, this is mitigated by the Company moving away from large scale contracts.

With this strategy now implemented our client base expanded in 2017/18 into new clients across our portfolio of business streams.

We still have continued contractual commitments and obligations on two major projects through this period. On completion of these contracts our resource will be focused on the delivery of the remainder of our core business and be utilised in more profitable work streams.

The Company has seen a stabilisation of Highways England funding throughout 2017 and into 2018, we expect this to continue as their budgets increase and, this remains a large part of the Crown Highways business. The Company currently works in the supply chain supporting the new Highways England Asset Delivery model of contracts and have completed tenders to work directly for Highways England. It is a Company target to work directly for Highways England in Areas 10, 6&8 and 9.

The turnover for 2017/18 increased by nearly £3 million due to our selection of work packages which lessened our exposure to large Major Project schemes. The Manchester SMART Motorway project is nearing completion. The Company has, however, made the decision to write off a further £450k in 2017/18 due to commercial disputes on this project.

The company now has three operational divisions; Civils, Lighting and Technology, that are spearheaded by dedicated Operational Managers to maintain quality of work, profit and customer satisfaction.

These separate divisions will continue to grow as they take on new business streams and clients. Over the past 12 months the Company has entered the Electric Vehicle (EV) charging market and now maintain all the detection systems on the M25 network under a long term maintenance contract. The Company has also added OHSAS 18001, ISO14001 to our list of accreditations as we continue to improve the business.

CROWN HIGHWAYS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

Financial key performance indicators

The Company considers its key performance indicators to be:-

Turnover - £15,353,854 (2017: £12,478,403)

Gross Profit - £3,853,136 (2017: £3,606,965)

Operating profit - £384,469 (2017: £192,036)

The increase in turnover is explained in the business review. The directors are pleased with the result for the year, especially given the contract write off of £450k.

This report was approved by the board on 3 December 2018 and signed on its behalf.



**S.M. Jones
Director**

CROWN HIGHWAYS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Principal activity

The principal activity of the Company is that of civil engineering, highway works, street lighting, traffic signs, motorway communications, loop detectors, drainage services and detection systems.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 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 for the Company'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 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 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 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 £274,887 (2017: £100,714).

The director does not recommend payment of a dividend for the current year.

Directors

The directors who served during the year were:

Stephen Mark Jones
Michael James Dale (appointed 1 April 2017)

Future developments

This is covered within the strategic report on page 1.

CROWN HIGHWAYS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

Disclosure of information to auditor

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's auditor is 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's auditor is aware of that information.

Post balance sheet events

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

Auditor

The auditor, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 3 December 2018 and signed on its behalf.



**S.M. Jones
Director**

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CROWN HIGHWAYS LIMITED

Opinion

We have audited the financial statements of Crown Highways Limited (the 'Company') for the year ended 31 March 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the 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 Company's affairs as at 31 March 2018 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.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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 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.

CROWN HIGHWAYS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CROWN HIGHWAYS LIMITED
(CONTINUED)**

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 Auditor's 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 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 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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.

CROWN HIGHWAYS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CROWN HIGHWAYS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 Auditor's 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 Auditor's 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 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.



Christopher Barlow ACA FCCA (Senior statutory auditor)
for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditors

Rutland House

148 Edmund Street

Birmingham

West Midlands

B3 2FD

3 December 2018

CROWN HIGHWAYS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Turnover	4	15,353,854	12,478,403
Cost of sales		(11,500,718)	(8,871,438)
Gross profit		3,853,136	3,606,965
Administrative expenses		(3,479,487)	(3,414,929)
Other operating income	5	11,000	-
Operating profit	6	384,649	192,036
Interest receivable and similar income	9	14	74
Interest payable and expenses	10	(35,608)	(49,581)
Profit before tax		349,055	142,529
Tax on profit	11	(74,168)	(41,815)
Profit for the financial year		274,887	100,714

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 13 to 25 form part of these financial statements.

CROWN HIGHWAYS LIMITED
REGISTERED NUMBER:04598541

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	1,281,047	1,237,822
Current assets			
Stocks	13	313,701	61,618
Debtors: amounts falling due within one year	14	6,376,041	5,011,947
Cash at bank and in hand		168	684
		<u>6,689,910</u>	<u>5,074,249</u>
Creditors: amounts falling due within one year	15	<u>(4,736,231)</u>	<u>(3,286,226)</u>
Net current assets		<u>1,953,679</u>	<u>1,788,023</u>
Total assets less current liabilities		<u>3,234,726</u>	<u>3,025,845</u>
Creditors: amounts falling due after more than one year	16	(351,168)	(408,874)
Provisions for liabilities			
Deferred tax	20	(157,000)	(165,000)
Other provisions	21	<u>(9,775)</u>	<u>(10,075)</u>
		<u>(166,775)</u>	<u>(175,075)</u>
Net assets		<u><u>2,716,783</u></u>	<u><u>2,441,896</u></u>
Capital and reserves			
Called up share capital	22	136	136
Profit and loss account	24	<u>2,716,647</u>	<u>2,441,760</u>
		<u><u>2,716,783</u></u>	<u><u>2,441,896</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 December 2018.


S.M. Jones
Director

The notes on pages 13 to 25 form part of these financial statements.

CROWN HIGHWAYS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	136	2,341,046	2,341,182
Comprehensive income for the year			
Profit for the year	-	100,714	100,714
	<hr/>	<hr/>	<hr/>
At 1 April 2017	136	2,441,760	2,441,896
Comprehensive income for the year			
Profit for the year	-	274,887	274,887
	<hr/>	<hr/>	<hr/>
At 31 March 2018	136	2,716,647	2,716,783
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 13 to 25 form part of these financial statements.

CROWN HIGHWAYS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	274,887	100,714
Adjustments for:		
Depreciation of tangible assets	199,786	213,607
Loss on disposal of tangible assets	730	3,237
Interest paid	35,608	49,581
Interest received	(14)	(74)
Taxation charge	74,168	41,815
(Increase) in stocks	(252,083)	(30,994)
(Increase)/decrease in debtors	(1,364,094)	581,958
Decrease in amounts owed by groups	-	105
Increase/(decrease) in creditors	803,075	(688,788)
(Decrease) in provisions	(300)	(296)
Corporation tax received/(paid)	488	(23,534)
Net cash generated from operating activities	(227,749)	247,331
Cash flows from investing activities		
Purchase of tangible fixed assets	(43,994)	(24,803)
Sale of tangible fixed assets	14,976	9,500
Interest received	14	74
HP interest paid	(20,142)	(17,362)
Net cash from investing activities	(49,146)	(32,591)

CROWN HIGHWAYS LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Cash flows from financing activities		
New secured loans	-	186,497
Repayment of loans	(10,241)	(148,694)
Repayment of/new finance leases	(245,616)	(205,331)
Interest paid	(15,466)	(32,219)
Net cash used in financing activities	(271,323)	(199,747)
Net (decrease)/increase in cash and cash equivalents	(548,218)	14,993
Cash and cash equivalents at beginning of year	(104,398)	(119,391)
Cash and cash equivalents at the end of year	(652,616)	(104,398)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	168	684
Bank overdrafts	(652,784)	(105,082)
	(652,616)	(104,398)

The notes on pages 13 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. General information

Crown Highways Limited (the Company) is a private Company, limited by shares, incorporated and domiciled in England. The address of its registered office is Unit 5, Queens Drive Industrial Estate, Chasetown, Burntwood, Staffordshire, WS7 4QF.

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 is the parent undertaking of a dormant subsidiary and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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

The financial statements are presented in sterling, £.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue, which is included net of Value Added Tax and trade discounts, represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at value of the consideration due. Where a contract has only been partially completed at the balance sheet date, revenue represents the value of the service provided to date based on a proportion of the total expected consideration at completion. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year. Full provision is made on all known or expected losses immediately when such losses are forecast on each contract.

2.3 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

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, using straight line or reducing balance, whichever is most appropriate.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line on buildings only
Plant and machinery etc.	- 15-25% reducing balance

2.4 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 first in, first out basis. Cost includes all direct costs.

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.

2.5 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.

2.6 Financial instruments

The Company 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.

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 statement of comprehensive income.

2.7 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.

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the 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 Company in independently administered funds.

2.10 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Statement of comprehensive income in the year that the Company 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.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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.

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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

CROWN HIGHWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

The preparation of the financial statements in accordance with generally accepted accounting principals requires the director to make estimates and assumptions that can affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Some of these estimates and judgements are inherently uncertain and therefore can be subject to change. The impact of any change in accounting estimates is reflected in the period in which the estimate is revised, if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are, in the opinion of the director, as follows:-

Revenue recognition and contract costs:

An element of the company's activities are carried out under long term contracts which are accounted for under section 23 of FRS102.

The management base their judgement of contract costs and revenue on the latest information that is available, which will include contract valuations. Estimates and judgements are continually evaluated based on historical experience.

4. Analysis of turnover

The whole of the turnover is attributable to the principal activities of the Company which were carried out wholly within the United Kingdom.

5. Other operating income

	2018 £	2017 £
Insurance claims receivable	11,000	-

6. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Purchases	7,077,171	5,430,431
Depreciation of tangible fixed assets	199,786	213,607
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	8,500	8,500
Operating lease rentals	68,665	84,629
Defined contribution pension costs	49,181	37,739

CROWN HIGHWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. Employees

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

	2018	2017
	£	£
Wages and salaries	4,674,218	4,170,890
Social security costs	484,401	427,557
Cost of defined contribution scheme	49,181	37,739
	<u>5,207,800</u>	<u>4,636,186</u>

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

	2018	2017
	No.	No.
Administrative and operational staff	<u>121</u>	<u>118</u>

8. Directors' remuneration

	2018	2017
	£	£
Directors' emoluments	179,575	61,737
Company contributions to defined contribution pension schemes	860	600
	<u>180,435</u>	<u>62,337</u>

During the year retirement benefits were accruing to 2 directors (2017 - 1) in respect of defined contribution pension schemes.

9. Interest receivable

	2018	2017
	£	£
Other interest receivable	<u>14</u>	<u>74</u>

CROWN HIGHWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

10. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	9,867	8,319
Other loan interest payable	5,599	23,900
Finance leases and hire purchase contracts	20,142	17,362
	<u>35,608</u>	<u>49,581</u>

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	82,168	48,815
Total current tax	<u>82,168</u>	<u>48,815</u>
Deferred tax		
Origination and reversal of timing differences	(8,000)	(7,000)
Total deferred tax	<u>(8,000)</u>	<u>(7,000)</u>
Taxation on profit on ordinary activities	<u>74,168</u>	<u>41,815</u>

CROWN HIGHWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	349,055	142,529
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	66,320	28,506
Effects of:		
Expenses not deductible for tax purposes	18,671	12,298
Capital allowances (in excess of)/less than depreciation	(2,906)	7,994
Short term timing difference leading to an incre in taxation	83	17
Movement in deferred taxation provision	(8,000)	(7,000)
Total tax charge for the year	74,168	41,815

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

CROWN HIGHWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. Tangible fixed assets

	Freehold property £	Plant and machinery etc £	Total £
Cost			
At 1 April 2017	340,000	2,071,116	2,411,116
Additions	-	258,717	258,717
Disposals	-	(74,500)	(74,500)
At 31 March 2018	<u>340,000</u>	<u>2,255,333</u>	<u>2,595,333</u>
Depreciation			
At 1 April 2017	63,462	1,109,832	1,173,294
Charge for the year on owned assets	4,533	90,502	95,035
Charge for the year on financed assets	-	104,751	104,751
Disposals	-	(58,794)	(58,794)
At 31 March 2018	<u>67,995</u>	<u>1,246,291</u>	<u>1,314,286</u>
Net book value			
At 31 March 2018	<u>272,005</u>	<u>1,009,042</u>	<u>1,281,047</u>
At 31 March 2017	<u>276,538</u>	<u>961,284</u>	<u>1,237,822</u>

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

	2018 £	2017 £
Plant and machinery etc.	<u>711,790</u>	<u>601,818</u>

13. Stocks

	2018 £	2017 £
Consumables and sundry related items	<u>313,701</u>	<u>61,618</u>

CROWN HIGHWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

14. Debtors

	2018 £	2017 £
Trade debtors	5,508,171	4,202,659
Amounts owed by group undertakings	721,780	721,780
Other debtors	23,768	9,600
Prepayments and accrued income	122,322	77,908
	<u>6,376,041</u>	<u>5,011,947</u>

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts (secured, see note 16)	652,784	105,082
Bank loans (secured, see note 16)	12,665	12,503
Trade creditors	2,564,104	1,846,416
Amounts owed to group undertakings	310	310
Corporation tax	131,471	48,815
Other taxation and social security	775,755	298,651
Obligations under finance lease and hire purchase contracts (secured, see note 16)	220,861	204,451
Other creditors	13,610	302,965
Accruals and deferred income	364,671	467,033
	<u>4,736,231</u>	<u>3,286,226</u>

CROWN HIGHWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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

	2018 £	2017 £
Bank loans (secured)	163,591	173,994
Net obligations under finance leases and hire purchase contracts (secured)	187,577	234,880
	<u>351,168</u>	<u>408,874</u>

Secured borrowings

The bank borrowings and net obligations under finance leases and hire purchase contracts are secured by the company. The security held by the bank is a Freehold First Legal Charge over the land and buildings as well as a debenture over the company's assets. The finance and hire purchase obligations are secured on the assets to which they relate.

17. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	12,665	12,503
Amounts falling due 2-5 years		
Bank loans	50,660	50,012
Amounts falling due after more than 5 years		
Bank loans	112,931	123,982
	<u>176,256</u>	<u>186,497</u>

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	220,861	204,452
Between 1-5 years	143,687	136,978
Over 5 years	43,890	97,901
	<u>408,438</u>	<u>439,331</u>

CROWN HIGHWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>6,253,719</u>	<u>4,934,039</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>3,393,454</u>	<u>2,432,522</u>

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

Financial liabilities measured at amortised cost comprise the bank overdraft, bank loans, trade creditors, amounts due to associated undertakings and other creditors.

20. Deferred taxation

	2018 £
At beginning of year	(165,000)
Charged to profit or loss	8,000
At end of year	<u><u>(157,000)</u></u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	<u>(157,000)</u>	<u>(165,000)</u>

CROWN HIGHWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

21. Provisions

	Government Grants £
At 1 April 2017	10,075
Utilised in year	(300)
At 31 March 2018	<u>9,775</u>

22. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
136 (2017 - 136) Ordinary shares of £1.00 each	<u>136</u>	<u>136</u>

23. Related party transactions

Included in debtors due within one year is £17,168 (2017: a creditor of £294,217) owed by a director of the company. This amount is unsecured, with no fixed repayment date, but interest is charged at 10%.

During the year ended 31 March 2008 the company had entered into a ten year tenants repairing lease on a Commercial Property owned by the pension scheme in which the director is a member. On 1 April 2009 this lease was transferred to this company as part of the hive up agreement. The total rent payable to the pension scheme, in respect of this lease, during the year was £14,400 (2017: £14,400). During the year ended 31 March 2013 the company entered into a five year tenant's repairing lease on a commercial property held by the same pension scheme. The total rent payable to the pension scheme, in respect of this lease, during the year was £14,000 (2017: £14,000).

At the balance sheet date an amount of £310 (2017: £310) was owed to Crown Cutting Limited, a wholly-owned dormant subsidiary of Crown Highways Limited.

Included in debtors at the year end is £721,780 (2017: £721,780) due from SMJ Crown Limited, a company controlled by S.M. Jones which owns 50% of Crown Highways Limited.

During the year, Crown Highways Limited made purchases of £1,360,045 (2017: £400,041) from Crown Recycling Limited, a company in which S.M. Jones has a 40% shareholding. At the year end, a balance was due to that company of £Nil (2017: £172,507) and is included in creditors. Sales to Crown Recycling Limited totalled £530,077 (2017: £456,596) and a balance of £4,279 (2017: £369,710) is included within trade debtors.

Compensation of £453,676 (2017: £376,444) was paid to key personnel in the year.

CROWN HIGHWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

24. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

25. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year amounted to £49,181 (2017: £37,739) representing contributions payable to the funds. An amount of £6,529 (2017: £2,983) is included within creditors in respect of liabilities to the funds at the year end.

26. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	59,374	68,665
Later than 1 year and not later than 5 years	184,416	197,565
Later than 5 years	9,237	46,187
	<u>253,027</u>	<u>312,417</u>

27. Controlling party

The ultimate controlling party is S.M. Jones by virtue of his 50% shareholding in Crown Highways Limited and 100% shareholding in SMJ Crown Limited, which owns 50% of this company.