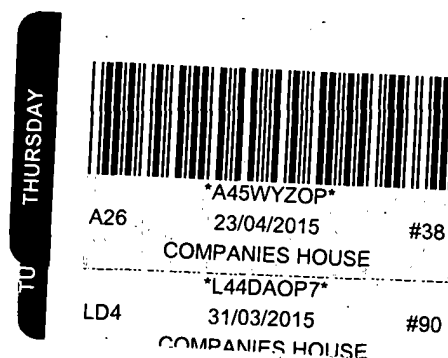


Darlow Lloyd Holdings Limited
Group Strategic Report, Report of the Directors and
Audited Consolidated Revised Financial Statements for the
Year Ended 30 June 2014

Radnor House
Greenwood Close
Cardiff Gate Business Park
Cardiff CF23 8AA



Registered to carry on audit work
and regulated for a range of
investment business activities by
the Institute of Chartered
Accountants in England and Wales.

bpu Chartered Accountants is a
trading name of BPU Ltd
Company Number 3723948
Registered in Wales

A list of directors is available from the
registered office above

Darlow Lloyd Holdings Limited

**Company Information
for the Year Ended 30 June 2014**

DIRECTORS:

R D Lloyd
J Lloyd
Rhys D Lloyd
O S Lloyd

REGISTERED OFFICE:

Corneldu Mawr Farm
Heol-y-Cyw
BRIDGEND
CF35 6HL

REGISTERED NUMBER:

08536843 (England and Wales)

AUDITORS:

BPU Limited
Chartered Accountants
Statutory Auditor
Radnor House
Greenwood Close
Cardiff Gate Business Park
Cardiff
CF23 8AA

**Group Strategic Report
for the Year Ended 30 June 2014**

REVIEW OF BUSINESS

The results for the Darlow Lloyd Holdings Limited Group of companies are shown in the annexed financial statements. The Group has returned another profitable year, though at reduced profitability. Profit before Interest and tax having reduced by £119k to £628k. Turnover for the Group has decreased from £19.87m to £18.28m representing a decrease of £1.59m (8%). However, the company has seen a further increase in its net asset base growing to £2.54m from £2.39m.

Below is a brief commentary of each of the individual companies within the Group.

Darlow Lloyd & Sons Limited

The company has experienced a difficult year for the year ended 30th June 2014; turnover has decreased from £10.70m to £9.49m representing a decrease of £1.48m (14%). The prior year had seen growth of turnover from £8.96m to £10.98m representing an increase of £2.02m (23%).

The decrease in revenues are a result of more difficult trading conditions within the business environment with increased competition for work and pressures on margins with increased cost base.

Gross margins have been reduced as the cost base of the business remained largely unchanged from the prior year. The company has also invested significant time and money into research and development on industrial and recycling processes during the period in the hope of achieving improved processes in the future for its customers and generating revenue streams for the business both in the UK and overseas.

The directors are also determined to continue work closely with customers to ensure that deadlines are met or bettered, budgets are achieved and value for money provided in achieving cost savings while continuing to develop its expertise in the landfill and recycling sectors.

Although the current economic climate continues to present challenges, the directors look to the future with confidence as the sectors in which the company operates show significant potential for growth. The company is looking to return to growth in the next financial year underpinned by contracted services and new business opportunities. In order to manage this expansion and improve company performance the company has made further investment in plant and machinery post year end.

The directors continue to recognise the importance of investing for the future and continue to develop bespoke systems for recycling activity, specifically within the steel industry.

Darlow Lloyd Construction

The company operates in the construction sector and also carries out maintenance activities for its core customers. The company has experienced another steady year in terms of anticipated turnover revenue which has remained at a similar level to that of 2013. Margins on the turnover however have returned to expected levels within the current economic climate.

There has been continued investment in staff, equipment and facilities to continue the expansion into new markets such as Social Housing, Drainage and service infrastructure projects and has seen our client base almost double from the 2013 to 2014 period. Organic growth into these areas is anticipated to play a vital role in increasing our market share as the Construction Sectors economic climate continues to recover.

**Group Strategic Report
for the Year Ended 30 June 2014**

Due to the return in expected levels of profitability, the balance sheet has also increase by 62% in reserves from the previous financial year.

Net cash flow within the company have decreased since 2013, this is mainly due to an increase in work in progress for a joint venture project. We anticipate that due to now having larger diverse client base, with varying payment terms averaging around 30 to 45 days from month end, the net cash flow will recover as the company remains profitable.

The directors feel that they can look forward to the forthcoming year with confidence as DLC now enjoys a much greater market share within its areas of operation, and has strategically placed it's within the market to remain competitive and profitable.

Darlow Lloyd Group

The results for the financial year and financial position are shown in the annexed financial statements. The company continued work on its first overseas contract in India during the year. The commissioning is scheduled to be completed within the next financial year.

The directors continue to recognise the importance of investing for the future and continue to develop bespoke systems for recycling activity, specifically within the steel industry. These systems have enabled the Group to move into new geographical markets and the hope is that following completion of this first contract the company will obtain further overseas contracts for bespoke recycling systems.

Darlow Lloyd Holdings Limited

The company was dormant in the period.

PRINCIPAL RISKS AND UNCERTAINTIES

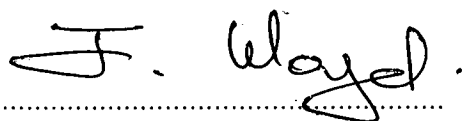
Liquidity risk

The group manages liquidity risk by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Credit risk

The group mainly trades with recognised, creditworthy third parties. Trade debtors are managed by regular monitoring of amounts outstanding for both time and credit limits. The group has also been successful in tendering for contracts which helps provide additional security to its earning capabilities.

THIS REPORT WAS APPROVED BY THE BOARD:



J Lloyd - Director

Date: 21st March 2015

**Report of the Directors
for the Year Ended 30 June 2014**

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2014.

REVISED FINANCIAL STATEMENTS

These revised financial statements replace the original financial statements for the year ended 30 June 2014 which were approved by the board on 10 February 2015. They are now the statutory financial statements of the company and the group for that financial year. In accordance with the Companies Act 2006 (the Act'), the financial statements have been revised as at the date of the original financial statements and not as at the date of this revision. Accordingly they do not deal with events between those dates.

The original financial statements did not comply with the Act in the following respect. Single company accounts were prepared and approved by the board, however consolidated accounts should have been prepared on the basis that Darlow Lloyd Holdings Limited acquired 100% of the share capital in Darlow Lloyd Group Limited on 3 April 2014. In addition, the original financial statements were unaudited, but an audit report is required to be attached to the consolidated accounts by virtue of the size of the group.

Under section 454 of the Act the directors have authority to revise annual financial statements, the strategic report, the directors' report or directors' remuneration report if they do not comply with the Act. The revised financial statements or report must be amended in accordance with the Companies (Revision of Defective Accounts and Report) Regulations 2008 and in accordance therewith do not take account of events which have taken place after the date on which the original financial statements were approved. The Regulations require that the revised financial statements show a true and fair view as if they were prepared and approved by the directors as at the date of the original financial statements.

INCORPORATION

The company was incorporated on 20 May 2013, and acquired the group, by virtue of the acquisition of 100% of the shares in Darlow Lloyd Group Limited, on 3 April 2014.

DIVIDENDS

The total distribution of dividends for the year ended 30 June 2014 will be £83,335.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2013 to the date of this report.

R D Lloyd
J Lloyd
Rhys D Lloyd
O S Lloyd

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

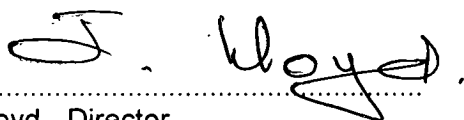
**Report of the Directors
for the Year Ended 30 June 2014**

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 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 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THIS REPORT WAS APPROVED BY THE BOARD:



J Lloyd - Director

Date: 31st March 2015

Report of the Independent Auditors to the Members of Darlow Lloyd Holdings Limited



We have audited the financial statements of Darlow Lloyd Holdings Limited for the year ended 30 June 2014 on pages eight to twenty six. 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).

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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A list of directors is available from the
registered office above

**Report of the Independent Auditors to the Members of
Darlow Lloyd Holdings Limited**

Matters on which we are required to report by exception

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

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

N Teye

Nicholas Matthew Teye FCA (Senior Statutory Auditor)
for and on behalf of BPU Limited
Chartered Accountants
Statutory Auditor

Date: 31/3/15

bpu
Chartered
Accountants

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A list of directors is available from the
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**Consolidated Profit and Loss Account
for the Year Ended 30 June 2014**

	Notes	2014 £	2013 £
TURNOVER		18,309,503	19,874,947
Cost of sales		<u>(15,772,277)</u>	<u>(16,911,524)</u>
GROSS PROFIT		2,537,226	2,963,423
Administrative expenses		<u>(1,938,342)</u>	<u>(2,245,931)</u>
		598,884	717,492
Other operating income		<u>28,814</u>	<u>28,546</u>
OPERATING PROFIT	3	627,698	746,038
Interest receivable & similar income		<u>160</u>	<u>539</u>
		627,858	746,577
Interest payable & similar charges	4	<u>(141,161)</u>	<u>(148,658)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		486,697	597,919
Tax on profit on ordinary activities	5	<u>(143,257)</u>	<u>(139,662)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		343,440	458,257
Minority interest - equity		<u>(124,480)</u>	<u>(25,336)</u>
RETAINED PROFIT FOR THE GROUP CARRIED FORWARD		<u>218,960</u>	<u>432,921</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

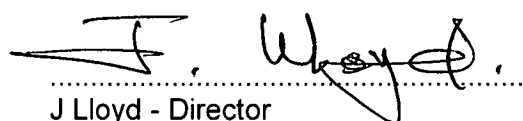
TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year.

Consolidated Balance Sheet
30 June 2014

	Notes	2014		2013	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		4,215,061		4,238,825
Investments	9		-		-
			<u>4,215,061</u>		<u>4,238,825</u>
CURRENT ASSETS					
Stocks	10	178,157		100,971	
Debtors	11	5,339,177		5,247,161	
Cash at bank and in hand		<u>10</u>		<u>550,628</u>	
		5,517,344		5,898,760	
CREDITORS					
Amounts falling due within one year	1 2	<u>5,063,006</u>		<u>5,975,030</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>454,338</u>		<u>(76,270)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,669,399		4,162,555
CREDITORS					
Amounts falling due after more than one year	1 3		(1,693,573)		(1,444,683)
PROVISIONS FOR LIABILITIES	17		(122,650)		(124,750)
MINORITY INTERESTS	18		<u>(326,058)</u>		<u>(201,578)</u>
NET ASSETS			<u>2,527,118</u>		<u>2,391,544</u>
CAPITAL AND RESERVES					
Called up share capital	19		1,000		1,000
Profit and loss account	20		<u>2,526,118</u>		<u>2,390,544</u>
SHAREHOLDERS' FUNDS	22		<u>2,527,118</u>		<u>2,391,544</u>

The financial statements were approved by the Board of Directors on 31st March 2015 and were signed on its behalf by:


J Lloyd - Director

The notes form part of these financial statements

**Company Balance Sheet
30 June 2014**

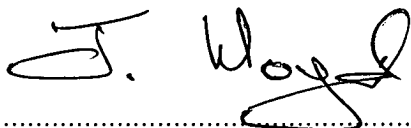
	Notes	2014 £	£
FIXED ASSETS			
Investments	9		1,000
CURRENT ASSETS			
Debtors	11	<u>21,835</u>	
CREDITORS			
Amounts falling due within one year		<u>21,835</u>	
NET CURRENT ASSETS			<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>1,000</u></u>
CAPITAL AND RESERVES			
Called up share capital			1,000
Profit and loss account			<u>-</u>
SHAREHOLDERS' FUNDS			<u><u>1,000</u></u>

The notes form part of these financial statements

Company Balance Sheet - continued
30 June 2014

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 31st March 2015 and were signed on its behalf by:



J Lloyd - Director

**Consolidated Cash Flow Statement
for the Year Ended 30 June 2014**

		2014		2013	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		1,468,572		1,588,675
Returns on investments and servicing of finance	2		(141,001)		(148,119)
Taxation			(212,450)		(230,325)
Capital expenditure	2		(932,562)		(1,612,152)
Equity dividends paid			<u>(83,386)</u>		<u>(81,623)</u>
			99,173		(483,544)
Financing	2		<u>(516,906)</u>		<u>786,812</u>
(Decrease)/increase in cash in the period			<u>(417,733)</u>		<u>303,268</u>
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/increase in cash in the period			(417,733)		303,268
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing			<u>485,793</u>		<u>(718,250)</u>
Change in net debt resulting from cash flows			<u>68,060</u>		<u>(414,982)</u>
Movement in net debt in the period			68,060		(414,982)
Net debt at 1 July			<u>(2,455,347)</u>		<u>(2,040,365)</u>
Net debt at 30 June			<u>(2,387,287)</u>		<u>(2,455,347)</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2014

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	627,698	746,038
Depreciation charges	1,091,473	1,077,106
Profit on disposal of fixed assets	(135,148)	(33,662)
Government grants	(27,299)	(28,546)
(Increase)/decrease in stocks	(77,186)	73,510
Increase in debtors	(92,016)	(1,297,767)
Increase in creditors	81,050	1,051,996
Net cash inflow from operating activities	<u>1,468,572</u>	<u>1,588,675</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	160	539
Interest paid	(69,598)	(54,453)
Interest element of hire purchase payments	<u>(71,563)</u>	<u>(94,205)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(141,001)</u>	<u>(148,119)</u>
Capital expenditure		
Purchase of tangible fixed assets	(1,089,361)	(1,695,652)
Sale of tangible fixed assets	<u>156,799</u>	<u>83,500</u>
Net cash outflow for capital expenditure	<u>(932,562)</u>	<u>(1,612,152)</u>
Financing		
New loans in year	680,000	1,034,000
Capital repayments in year	(1,165,788)	(315,750)
Amount introduced by directors	-	40,016
Amount withdrawn by directors	(58,417)	-
Government grants	<u>27,299</u>	<u>28,546</u>
Net cash (outflow)/inflow from financing	<u>(516,906)</u>	<u>786,812</u>

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2014**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/7/13 £	Cash flow £	At 30/6/14 £
Net cash:			
Cash at bank and in hand	550,628	(550,618)	10
Bank overdraft	<u>(367,336)</u>	<u>132,885</u>	<u>(234,451)</u>
	<u>183,292</u>	<u>(417,733)</u>	<u>(234,441)</u>
Debt:			
Hire purchase	(1,770,650)	352,268	(1,418,382)
Debts falling due within one year	(701,211)	555,858	(145,353)
Debts falling due after one year	<u>(166,778)</u>	<u>(422,333)</u>	<u>(589,111)</u>
	<u>(2,638,639)</u>	<u>485,793</u>	<u>(2,152,846)</u>
Total	<u>(2,455,347)</u>	<u>68,060</u>	<u>(2,387,287)</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2014**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group accounts consolidate the accounts of Darlow Lloyd Holdings Limited and all of its subsidiary undertakings drawn up to 30 June 2014. No profit and loss account is presented for Darlow Lloyd Holdings Limited as provided by section 408 of the Companies Act 2006. The group accounts have been prepared on a merger accounting basis as the addition of Darlow Lloyd Holdings Limited as the new parent of the group is treated as a reconstruction. As such, the comparatives have been presented as if Darlow Lloyd Holdings Limited has always been the parent notwithstanding that it was only incorporated during the current period.

Turnover

Turnover comprises revenue in respect of landfill management, plant hire and construction activities, net of value added tax and trade discounts. The group recognises revenue in accordance with the terms of client agreements and this is dependent on the stage of completion of the service. Turnover is stated gross of any applicable withholding tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	-	2% straight line
Plant and machinery	-	20% straight line, 20% straight line with 10% residual val and 15% straight line less residual value
Fixtures and fittings	-	33% straight line
Motor vehicles	-	33% straight line, 25% straight line and at varying rates on cost
Computer equipment	-	33% straight line and 25% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred tax

Full provision is made for deferred taxation resulting from material timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

Hire purchase and leasing commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account on a straight line basis.

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2014**

1. ACCOUNTING POLICIES - continued

Pension costs

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

Investments

Investments in subsidiary undertakings are stated at cost less any provisions for impairment in value.

Long term contracts

Profit on long term contracts is taken as the work carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of work carried out at the year end by recording turnover and related costs as the contract activity progresses. Turnover is calculated as the proportion of total contract value which costs bear to date to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year they are first foreseen.

2. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	6,172,550	6,670,901
Social security costs	586,914	658,659
Other pension costs	57,360	137,165
	<u>6,816,824</u>	<u>7,466,725</u>

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

	2014	2013
Operations	210	209
Administration	<u>42</u>	<u>43</u>
	<u>252</u>	<u>252</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2014**

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Depreciation - owned assets	603,887	499,945
Depreciation - assets on hire purchase contracts	487,587	579,731
Profit on disposal of fixed assets	(135,148)	(33,662)
Audit fees	17,500	19,855
Other non-audit services	13,806	19,405
Hire of equipment	<u>808,301</u>	<u>1,040,235</u>

Directors' remuneration	<u>341,968</u>	<u>474,530</u>
-------------------------	-----------------------	----------------

Information regarding the highest paid director is as follows:

	2014	2013
	£	£
Emoluments etc	<u>75,769</u>	<u>99,091</u>

4. INTEREST PAYABLE & SIMILAR CHARGES

	2014	2013
	£	£
Bank interest	69,598	54,453
Hire purchase	<u>71,563</u>	<u>94,205</u>
	<u>141,161</u>	<u>148,658</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2014	2013
	£	£
Current tax:		
UK corporation tax	145,357	186,912
Deferred tax	<u>(2,100)</u>	<u>(47,250)</u>
Tax on profit on ordinary activities	<u>143,257</u>	<u>139,662</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2014**

5. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>486,697</u>	<u>597,919</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 - 23%)	102,206	137,521
Effects of:		
Expenses not deductible for tax purposes	8,644	4,787
Income not taxable for tax purposes	(28,381)	(8,700)
Depreciation in excess of capital allowances	15,606	50,605
Utilisation of tax losses	(3,396)	-
Adjustments to tax charge in respect of previous periods	2,374	(1,040)
Effect of higher tax rate prior to change during the year	7,909	5,582
Darlow Lloyd Group Ltd profits taxable at small companies rate	(653)	(1,843)
Tax suffered in overseas jurisdictions	24,450	-
Double taxation relief	(13,054)	-
Tax losses carried forward	<u>29,652</u>	<u>-</u>
Current tax charge	<u>145,357</u>	<u>186,912</u>

6. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £20,835.

7. DIVIDENDS

	2014 £	2013 £
Paid	<u>83,386</u>	<u>81,623</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2014

8. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Plant and machinery £
COST			
At 1 July 2013	390,242	20,925	7,097,973
Additions	-	-	990,860
Disposals	-	-	(343,607)
At 30 June 2014	<u>390,242</u>	<u>20,925</u>	<u>7,745,226</u>
DEPRECIATION			
At 1 July 2013	-	20,925	3,699,645
Charge for year	-	-	876,401
Eliminated on disposal	-	-	(307,614)
At 30 June 2014	<u>-</u>	<u>20,925</u>	<u>4,268,432</u>
NET BOOK VALUE			
At 30 June 2014	<u>390,242</u>	<u>-</u>	<u>3,476,794</u>
At 30 June 2013	<u>390,242</u>	<u>-</u>	<u>3,398,328</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 July 2013	35,318	919,522	189,900	8,653,880
Additions	4,816	76,162	17,523	1,089,361
Disposals	-	(81,822)	-	(425,429)
At 30 June 2014	<u>40,134</u>	<u>913,862</u>	<u>207,423</u>	<u>9,317,812</u>
DEPRECIATION				
At 1 July 2013	19,399	529,583	145,503	4,415,055
Charge for year	7,719	188,970	18,384	1,091,474
Eliminated on disposal	-	(96,164)	-	(403,778)
At 30 June 2014	<u>27,118</u>	<u>622,389</u>	<u>163,887</u>	<u>5,102,751</u>
NET BOOK VALUE				
At 30 June 2014	<u>13,016</u>	<u>291,473</u>	<u>43,536</u>	<u>4,215,061</u>
At 30 June 2013	<u>15,919</u>	<u>389,939</u>	<u>44,397</u>	<u>4,238,825</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2014

8. TANGIBLE FIXED ASSETS - continued

Group

The net book value of tangible fixed assets includes £2,361,465 (2013 - £2,619,108) in respect of assets held under hire purchase contracts.

9. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 July 2013
and 30 June 2014

1,000

NET BOOK VALUE

At 30 June 2014

1,000

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Darlow Lloyd & Sons Limited

Nature of business: Landfill management and plant hire.

	%
Class of shares:	holding
Ordinary	100.00

	2014 £	2013 £
Aggregate capital and reserves	1,964,269	2,041,996
(Loss)/profit for the year	<u>(77,727)</u>	<u>266,613</u>

Darlow Lloyd (Construction) Limited

Nature of business: Civil engineering.

	%
Class of shares:	holding
Ordinary	60.00

	2014 £	2013 £
Aggregate capital and reserves	815,144	503,945
Profit for the year	<u>311,199</u>	<u>63,340</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2014

9. **FIXED ASSET INVESTMENTS - continued**

Darlow Lloyd Group Limited

Nature of business: Landfill management and plant hire.

Class of shares:	%
Ordinary	holding 100.00

	2014	2013
	£	£
Aggregate capital and reserves	91,952	51,849
Profit for the year	<u>40,103</u>	<u>50,849</u>

10. **STOCKS**

	Group	
	2014	2013
	£	£
Raw materials	97,139	100,971
Land & buildings	<u>81,018</u>	<u>-</u>
	<u>178,157</u>	<u>100,971</u>

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	3,526,792	3,385,171	-	-
Amounts recoverable on contract	1,547,916	1,088,340	-	-
Other debtors & prepayments	<u>264,469</u>	<u>773,650</u>	<u>21,835</u>	<u>-</u>
	<u>5,339,177</u>	<u>5,247,161</u>	<u>21,835</u>	<u>-</u>

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loan & overdrafts (see note 14)	251,280	383,459	-	-
Other loans (see note 14)	128,524	685,088	-	-
Hire purchase contracts (see note 15)	689,676	926,918	-	-
Trade creditors	2,102,494	1,709,955	-	-
Corporation tax	118,534	185,627	-	-
Social security & other taxes	382,237	584,434	-	-
Other creditors	793,698	1,021,924	21,835	-
Accruals & deferred income	<u>596,563</u>	<u>477,625</u>	<u>-</u>	<u>-</u>
	<u>5,063,006</u>	<u>5,975,030</u>	<u>21,835</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2014

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2014	2013
	£	£
Bank loans (see note 14)	149,945	166,778
Other loans (see note 14)	439,166	-
Hire purchase contracts (see note 15)	728,706	843,732
Directors loan account	375,756	434,173
	<u>1,693,573</u>	<u>1,444,683</u>

14. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2014	2013
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	234,451	367,336
Bank loan	16,829	16,123
Other loans	128,524	685,088
	<u>379,804</u>	<u>1,068,547</u>
Amounts falling due between one and two years:		
Bank loan	17,561	16,829
Other loans	135,100	-
	<u>152,661</u>	<u>16,829</u>
Amounts falling due between two and five years:		
Bank loan	57,412	55,013
Other loans	304,066	-
	<u>361,478</u>	<u>55,013</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loan	74,972	94,936

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2014

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2014	2013
	£	£
Net obligations repayable:		
Within one year	689,676	926,918
Between one and five years	<u>728,706</u>	<u>843,732</u>
	<u>1,418,382</u>	<u>1,770,650</u>

The following operating lease payments are committed to be paid within one year:

Group

	Other operating leases	
	2014	2013
	£	£
Expiring:		
Between one and five years	<u>14,757</u>	<u>14,757</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2014	2013
	£	£
Bank overdrafts	234,451	367,336
Hire purchase contracts	<u>1,418,382</u>	<u>1,770,650</u>
	<u>1,652,833</u>	<u>2,137,986</u>

17. PROVISIONS FOR LIABILITIES

	Group	
	2014	2013
	£	£
Deferred tax	<u>122,650</u>	<u>124,750</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2014

17. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 July 2013	124,750
Credit to Profit and Loss Account during year	<u>(2,100)</u>
Balance at 30 June 2014	<u>122,650</u>

18. MINORITY INTERESTS

	2014 £	2013 £
Minority interest balance brought forward	201,578	176,242
Minority interest share of profit	<u>124,480</u>	<u>25,336</u>
Balance due to minority interest at year end	<u>326,058</u>	<u>201,578</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2014	2013
Number:	Class:		£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

20. RESERVES

Group

	Profit and loss account £
At 1 July 2013	2,390,544
Profit for the year	218,960
Dividends	<u>(83,386)</u>
At 30 June 2014	<u>2,526,118</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2014**

20. RESERVES - continued

Company	Profit and loss account £
At 1 July 2013	-
Profit for the year	20,835
Dividends	<u>(20,835)</u>
At 30 June 2014	<u>-</u>

21. RELATED PARTY DISCLOSURES

a) Related parties

i) Common control:

Darlow Lloyd & Sons Pension Scheme

b) Loans to / (from) related parties

	Received in year £	Paid in year £	Debtor / (Creditor) at year end £
2014			
Darlow Lloyd & Sons Pension Scheme	<u>(680,000)</u>	<u>797,399</u>	<u>(567,689)</u>
2013			
Darlow Lloyd & Sons Pension Scheme	<u>(574,173)</u>	<u>47,348</u>	<u>(685,088)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2014

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2014 £	2013 £
Profit for the financial year	218,960	432,921
Dividends	(83,386)	(81,623)
Net addition to shareholders' funds	135,574	351,298
Opening shareholders' funds	<u>2,391,544</u>	<u>2,040,246</u>
Closing shareholders' funds	<u>2,527,118</u>	<u>2,391,544</u>

Company

	2014 £	2013 £
Profit for the financial year	20,835	-
Share capital issued in the year	1,000	-
Dividends	(20,835)	-
Net addition to shareholders' funds	1,000	-
Opening shareholders' funds	<u>-</u>	<u>-</u>
Closing shareholders' funds	<u>1,000</u>	<u>-</u>

23. POST BALANCE SHEET EVENTS

On the 1st July 2014 an asset disposal took place from Darlow Lloyd and Sons Limited to Darlow Lloyd Plant Limited, which became a 100% subsidiary of Darlow Lloyd Holdings Limited on 1 July 2014, for just under £1.1m of the assets held by Darlow Lloyd and Sons Limited.