Company Registration No. 08592961 (England and Wales)

ALTIA HOLDINGS LIMITED

AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

ALTIA HOLDINGS LIMITED

COMPANY INFORMATION

Directors	A N Harker H J Thomis
Secretary	H J Thomis
Company number	08592961
Registered office	The Old Airfield Heck And Pollington Lane Pollington DN14 0BA
Auditor	BHP LLP Rievaulx House 1 St Mary's Court Blossom Street York YO24 1AH
Bankers	National Westminster Bank Plc 63 North Street Keighley West Yorkshire BD21 3SN
	HSBC Bank Plc Priory Park West Saxon Way Hessle HU13 9PB

ALTIA HOLDINGS LIMITED

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ALTIA HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present the strategic report for the year ended 30 September 2017.

Fair review of the business
The directors are pleased with the Group's performance during the year to 30th September 2017.

The Group's sales revenues remained buoyant, supported by our combined innovative approach to new products and marketing within our sector.

Principal risks and uncertainties
The Group's business may be affected by fluctuations in the price and supply of materials although the Group's sales and stock pricing policy seeks to mitigate such risks where possible.

The Group is financed by cash flow and by a fixed rate term debt. Interest rate exposure is considered to be low, so no hedging is undertaken.

Development and performance
The Group continues to invest in its infrastructure and its people.

During the year, the Group made further progress with the introduction of environmental standard EN14000 together with the gradual implementation of ISO9001.

Key performance indicators
The Group does not have any specific key performance indicators, other than those that can be calculated from the financial statements. Key performance indicators calculated from the financial statements are gross profit margin 28.11% (2016: 30.29%) and EBITDA £5,010,369 (2016: £4,469,113)

By order of the board

A N Harker
Director
14 December 2017

The directors present their annual report and financial statements for the year ended 30 September 2017.

Principal activities
The principal activity of the company continued to be that of a holding company.

The principal activity of the group during the year continued to be the supply of decorative aggregates, paving and associated garden products, primarily to the Garden Centre Industry.

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

A N Harker
H J Thomis

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

The profit for the year, after taxation, amounted to £3,740,012. No dividends were paid in the year.

Auditor
The auditor BHP, Chartered Accountants, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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 auditor of the company is 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 auditor of the company is aware of that information.

By order of the board

A N Harker
Director
14 December 2017

ALTIA HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALTIA HOLDINGS LIMITED

Opinion
We have audited the financial statements of Altia Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2017 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2017 and of its 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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.

BDO LLP

Daniel Sowden (Senior Statutory Auditor)
for and on behalf of 14 December 2017

Chartered Accountants
Statutory Auditor

ALTIA HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	23,605,025	19,026,877
Cost of sales		(16,969,861)	(13,264,140)
Gross profit		6,635,164	5,762,737
Administrative expenses		(1,972,320)	(1,577,769)
Operating profit	4	4,662,844	4,184,968
Interest receivable and similar income	8	2,451	6,224
Interest payable and similar expenses	9	(11,611)	(6,486)
Profit before taxation		4,653,684	4,184,706
Tax on profit	10	(913,672)	(855,363)
Profit for the financial year		3,740,012	3,329,343

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

ALTIA HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	2017 £	2016 as restated £	2016 as restated £
Fixed assets					
Tangible assets	**13**		8,182,732		4,589,380
Current assets					
Stocks	**16**	2,435,123		1,811,065	
Debtors	**17**	4,049,150		4,004,162	
Cash at bank and in hand		4,402,326		5,318,622	
		10,886,599		11,133,849	
Creditors: amounts falling due within one year	**18**	(4,329,092)		(4,794,471)	
Net current assets			6,557,507		6,339,378
Total assets less current liabilities			14,740,239		10,928,758
Creditors: amounts falling due after more than one year	**19**		(44,818)		-
Provisions for liabilities	**20**		(130,060)		(103,409)
Net assets			14,565,361		10,825,349
Capital and reserves					
Called up share capital	**22**		2,000		2,000
Profit and loss reserves			14,563,361		10,823,349
Total equity			14,565,361		10,825,349

These revised accounts replace the original annual accounts for the financial year ended 30 September 2017. They are now statutory accounts of the company for this year and have been prepared as at the date of the original accounts.

The financial statements were approved by the board of directors and authorised for issue on 14 December 2017 and are signed on its behalf by:

A N Harker
Director

ALTIA HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		3,626,720		856,629
Investments	14		1,000		1,000
			3,627,720		857,629
Current assets					
Debtors	17	52,386		36,225	
Cash at bank and in hand		14,180		20,053	
		66,566		56,278	
Creditors: amounts falling due within one year	18	(300)		(307,144)	
Net current assets/(liabilities)			66,266		(250,866)
Total assets less current liabilities			3,693,986		606,763
Capital and reserves					
Called up share capital	22		2,000		2,000
Profit and loss reserves			3,691,986		604,763
Total equity			3,693,986		606,763

These revised accounts replace the original annual accounts for the financial year ended 30 September 2017. They are now statutory accounts of the company for this year and have been prepared as at the date of the original accounts.

The financial statements were approved by the board of directors and authorised for issue on 14 December 2017 and are signed on its behalf by:

A N Harker
Director

Company Registration No. 08592961

ALTIA HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 October 2015		2,000	7,544,006	7,546,006
Year ended 30 September 2016:				
Profit and total comprehensive income for the year		-	3,329,343	3,329,343
Dividends	**11**	-	(50,000)	(50,000)
Balance at 30 September 2016		2,000	10,823,349	10,825,349
Year ended 30 September 2017:				
Profit and total comprehensive income for the year		-	3,740,012	3,740,012
Balance at 30 September 2017		2,000	14,563,361	14,565,361

ALTIA HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 2015		2,000	-	2,000
Year ended 30 September 2016:				
Profit and total comprehensive income for the year		-	654,763	654,763
Dividends	11	-	(50,000)	(50,000)
Balance at 30 September 2016		2,000	604,763	606,763
Year ended 30 September 2017:				
Profit and total comprehensive income for the year		-	3,087,223	3,087,223
Balance at 30 September 2017		2,000	3,691,986	3,693,986

ALTIA HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities					
Cash generated from operations	**26**		3,796,105		3,740,905
Interest paid			(11,611)		(6,486)
Income taxes paid			(818,421)		(517,041)
Net cash inflow from operating activities			2,966,073		3,217,378
Investing activities					
Purchase of tangible fixed assets		(3,940,877)		(1,776,126)	
Proceeds on disposal of tangible fixed assets		-		210,071	
Proceeds from other investments and loans		(27,386)		-	
Interest received		2,451		6,224	
Net cash used in investing activities			(3,965,812)		(1,559,831)
Financing activities					
Repayment of bank loans		-		(277,294)	
Payment of finance leases obligations		83,443		-	
Dividends paid to equity shareholders		-		(50,000)	
Net cash generated from/(used in) financing activities			83,443		(327,294)
Net (decrease)/increase in cash and cash equivalents			(916,296)		1,330,253
Cash and cash equivalents at beginning of year			5,318,622		3,988,369
Cash and cash equivalents at end of year			4,402,326		5,318,622

1 Accounting policies

Company information

Altia Holdings Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is The Old Airfield, Heck and Pollington Lane, Pollington, DN14 0BA.

The group consists of Altia Holdings Limited and all of its subsidiaries.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £3,087,223 (2016 £654,763).

In preparing the financial statements for the year ended 30 September 2017, management became aware that the share capital of Altia Holdings Limited was understated by £1,000. This under statement has resulted in a prior period adjustment to increase share capital by £1,000 and to increase cash at bank and in hand by £1,000. The overall effect of the prior period adjustment is disclosed in note 27.

1 Accounting policies **(Continued)**

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Altia Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 September 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company and group 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.

The company and group traded profitably again during the year and held approximately £4,401k of cash and bank at the year end. After a detailed review of the company's resources and future prospects, the directors are confident that the company has sufficient cash flows to meet its liabilities as the fall due for at least one year from the date of approval of the financial statement.

1.4 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Tangible fixed assets

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

1 Accounting policies **(Continued)**

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:

Freehold land and buildings	2% straight line (excluding land) and 20% straight line
Plant and equipment	20%, 33% and 50% straight line
Fixtures and fittings	20% and 33% straight line
Motor vehicles	0% - 25% straight line

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 recognised in the profit and loss account.

Motor vehicles included in the company balance sheet are held for investment purposes and thus are not depreciated.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and 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 current liabilities.

1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group 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 group.

1.12 Taxation

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

1 Accounting policies **(Continued)**

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 group'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 if, and only if, there is 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.

1.13 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.

1.14 Retirement benefits

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

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

3 Turnover and other revenue

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

	2017	2016
	£	£
Turnover		
Sale of goods	23,605,025	19,026,876

Turnover analysed by geographical market

	2017	2016
	£	£
United Kingdom	23,605,025	19,026,876

4 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	347,525	289,427
Profit on disposal of tangible fixed assets	-	(5,282)

5 Auditor's remuneration

	2017	2016
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	3,763	3,500
Audit of the financial statements of the company's subsidiaries	7,500	7,500
	11,263	11,000

6 Employees

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

	2017 Number	2016 Number
Production staff	58	52
Administrative staff	33	26
Directors	2	2
	93	80

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries (including commissions paid to third parties)	3,456,688	2,737,375
Social security costs	213,631	158,455
Pension costs	18,720	21,504
	3,689,039	2,917,334

7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	24,000	24,000
Company pension contributions to defined contribution schemes	6,123	12,579
	30,123	36,579

8 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	2,451	6,224

9 Interest payable and similar expenses

	2017	2016
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	10,341	6,486
Interest on finance leases and hire purchase contracts	1,270	-
	11,611	6,486

10 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	888,445	819,845
Adjustments in respect of prior periods	(1,424)	-
Total current tax	887,021	819,845
Deferred tax		
Origination and reversal of timing differences	26,651	35,518
Total tax charge for the year	913,672	855,363

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Profit before taxation	4,653,684	4,184,706
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	884,200	836,941
Tax effect of expenses that are not deductible in determining taxable profit	3,458	815
Effect of change in corporation tax rate	17,551	-
Group relief	-	1,247
Other permanent differences	9,887	-
Under/(over) provided in prior years	(1,424)	-
Depreciation in excess of capital allowances	-	(19,158)
Movement in deferred tax provision	-	35,518
Taxation charge for the year	913,672	855,363

11 Dividends

	2017	2016
	£	£
Final paid	-	50,000

12 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 October 2016 and 30 September 2017	721,355
Amortisation and impairment	
At 1 October 2016 and 30 September 2017	721,355
Carrying amount	
At 30 September 2017	-
At 30 September 2016	-

The company had no intangible fixed assets at 30 September 2017 or 30 September 2016.

13 Tangible fixed assets

Group	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2016	3,492,911	2,894,526	261,844	344,272	6,993,553
Additions	2,945,495	578,125	115,046	302,211	3,940,877
At 30 September 2017	6,438,406	3,472,651	376,890	646,483	10,934,430
Depreciation and impairment					
At 1 October 2016	456,150	1,721,952	161,004	65,067	2,404,173
Depreciation charged in the year	52,924	179,399	48,676	66,526	347,525
At 30 September 2017	509,074	1,901,351	209,680	131,593	2,751,698
Carrying amount					
At 30 September 2017	5,929,332	1,571,300	167,210	514,890	8,182,732
At 30 September 2016	3,036,761	1,172,574	100,840	279,205	4,589,380

13 Tangible fixed assets (Continued)

Company	Freehold land and buildings	Motor vehicles	Total
	£	£	£
Cost			
At 1 October 2016	750,985	105,644	856,629
Additions	2,510,000	260,091	2,770,091
At 30 September 2017	3,260,985	365,735	3,626,720
Depreciation and impairment			
At 1 October 2016 and 30 September 2017	-	-	-
Carrying amount			
At 30 September 2017	3,260,985	365,735	3,626,720
At 30 September 2016	750,985	105,644	856,629

14 Fixed asset investments

		Group		Company	
		2017	2016	2017	2016
	Notes	£	£	£	£
Investments in subsidiaries	15	-	-	1,000	1,000

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 1 October 2016 and 30 September 2017	1,000
Carrying amount	
At 30 September 2017	1,000
At 30 September 2016	1,000

15 Subsidiaries

Details of the company's subsidiaries at 30 September 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Kelkay Limited	United Kingdom	Supply of decorative aggregates, paving and associated garden products	Ordinary	100.00	-

16 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Finished goods and goods for resale	2,435,123	1,811,065	-	-

17 Debtors

Amounts falling due within one year:	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade debtors	3,844,657	3,605,776	-	6,000
Other debtors	107,219	320,853	27,386	5,225
Prepayments and accrued income	97,274	77,533	25,000	25,000
	4,049,150	4,004,162	52,386	36,225

18 Creditors: amounts falling due within one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Obligations under finance leases		38,625	-	-	-
Trade creditors		1,831,464	2,354,849	300	-
Amounts due to group undertakings		-	-	-	82,144
Corporation tax payable		888,445	819,845	-	-
Other taxation and social security		674,091	591,243	-	-
Other creditors		896,467	1,028,534	-	225,000
		4,329,092	4,794,471	300	307,144

19 Creditors: amounts falling due after more than one year

		Group		Company	
		2017	2016	2017	2016
	Notes	£	£	£	£
Obligations under finance leases		44,818	-	-	-

20 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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 2017	Liabilities 2016
Group	£	£
Accelerated capital allowances	103,409	67,891
Charge to profit or loss	26,651	35,518
	130,060	103,409

20 Deferred taxation (Continued)

Movements in the year:	Group 2017 £	Company 2017 £
Liability at 1 October 2016	103,409	-
Charge to profit or loss	26,651	-
Liability at 30 September 2017	130,060	-

21 Retirement benefit schemes

Defined contribution schemes	2017 £	2016 £
Charge to profit or loss in respect of defined contribution schemes	18,720	21,504

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital

	Group and company	
	2017	2016 as restated
Ordinary share capital	£	£
Issued and fully paid		
2,000 Ordinary of £1 each	2,000	2,000

23 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Acquisition of tangible fixed assets	-	428,000	-	-

24 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation	533,230	442,217

Group

At the balance sheet date the group was owed £27,386 (2016: £287,789 owed to A N Harker) by A N Harker. This balance was fully repaid on 7 December 2017.

Kelkay Limited operates from premises owned by A&H Properties, a partnership between A N Harker and H J Thomis. During the year Kelkay Limited was charged rent and services charges by A&H Properties of £10,000 (2016: £100,000).

During the year the subsidiary company made sales of £404,890 to another company in which a director of Kelkay Limited is also a director, these sales were made under normal commercial terms. The amount due to Kelkay Limited at the balance sheet date was £54,232.

Company

During the year the company acquired land from A&H Properties, a partnership between A N Harker and H J Thomis at a cost of £2,510,000 (2016: £225,000).

At the balance sheet date the company owed A & H Properties £Nil (2016: £225,000).

Dividends paid to the directors in the year were £Nil (2016: £50,000).

25 Controlling party

In the opinion of the directors, the ultimate controlling party is A N Harker by virtue of his majority shareholding in the company.

26 Cash generated from group operations

	2017	2016
	£	£
Profit for the year after tax	3,740,012	3,329,343
Adjustments for:		
Taxation charged	913,672	855,363
Finance costs	11,611	6,486
Investment income	(2,451)	(6,224)
Gain on disposal of tangible fixed assets	-	(5,282)
Depreciation and impairment of tangible fixed assets	347,525	289,427
Movements in working capital:		
(Increase) in stocks	(624,058)	(313,269)
(Increase) in debtors	(22,827)	(1,747,127)
(Decrease)/increase in creditors	(567,379)	1,332,188
Cash generated from operations	3,796,105	3,740,905

27 Prior period adjustment

Changes to the balance sheet - group

	At 30 September 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Bank and cash	5,317,622	1,000	5,318,622
Capital and reserves			
Share capital	1,000	1,000	2,000

Changes to the profit and loss account - group

	Period ended 30 September 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Profit for the financial period	3,329,343	-	3,329,343

27 Prior period adjustment **(Continued)**

Changes to the balance sheet - company

	At 30 September 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Bank and cash	19,053	1,000	20,053
Capital and reserves			
Share capital	1,000	1,000	2,000

Changes to the profit and loss account - company

Profit for the financial period	654,763	-	654,763