

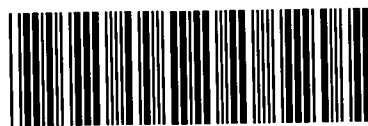
**Registered number: 04164708**

## **G K R Logistics Limited**

**Directors' report and financial statements**

**for the year ended 31 October 2013**

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## **G K R Logistics Limited**

### **Company Information**

|                             |                                                                                                                          |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>            | G Rowswell<br>L Rowswell<br>N Rowswell                                                                                   |
| <b>Company secretary</b>    | C Rowswell                                                                                                               |
| <b>Registered number</b>    | 04164708                                                                                                                 |
| <b>Registered office</b>    | 94A High Street<br>Sevenoaks<br>Kent<br>TN13 1LP                                                                         |
| <b>Independent auditors</b> | Reeves & Co LLP<br>Chartered Accountants & Statutory Auditors<br>Third Floor<br>24 Chiswell Street<br>London<br>EC1Y 4YX |
| <b>Accountants</b>          | Thain Osborne & Co<br>Chartered Accountants<br>94A High Street<br>Sevenoaks<br>Kent<br>TN13 1LP                          |

# **G K R Logistics Limited**

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## **G K R Logistics Limited**

### **Directors' report for the year ended 31 October 2013**

The directors present their report and the financial statements for the year ended 31 October 2013.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group 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 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 judgments 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 group will continue in business.

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

#### **Results**

The profit for the year, after taxation and minority interests, amounted to £1,251,934 (2012:£1,399,880).

#### **Directors**

The directors who served during the year were:

G Rowswell  
L Rowswell  
N Rowswell

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

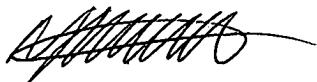
**G K R Logistics Limited**

**Directors' report  
for the year ended 31 October 2013**

**Auditors**

The auditors, Reeves & Co LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 May 2014 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'N Rowswell', written over a horizontal line.

N Rowswell  
Director

**Group strategic report  
for the year ended 31 October 2013**

**Principal activities**

The group's principal activity continues to be that of scaffolding suppliers.

**Business review**

In the year to 31st October 2013, sales increased by 16% to £12,924,094. Gross profit margins have reduced from 37.3% to 36.8% reflecting the continuing tough economic climate. The group made a profit after tax of £1,452,825 (2012 - £1,454,266).

**Principal risks**

**Commercial Risks:**

The principal risks facing the business arise from non-payment of work completed, due to companies going into liquidation. Vigorous checks are carried out on new contracts and there is a policy to only tender for work with larger established contractors.

The group continues to abide by all areas of legislation which remains a major burden on organisations.

**Financial Risks:**

Maintaining margins whilst containing operating costs are the major risks. All sales are to UK customers and all suppliers are UK based: the group has therefore not entered into any hedging arrangements in respect of risks relating to trade debtors or trade creditors. New customers are assessed for credit risks and credit limits apply where necessary. Sales for 2014 are expected to remain similar. The group is fortunate in that it has no long term commitments for the supply of labour or distribution and can access a pool of skilled unemployed labour as activity increases.

All risks are constantly monitored and appropriate action is taken where necessary. Cash flow is monitored daily and professional staff are employed to ensure new legislation is complied with.

**Development and performance**

The group continues to invest in scaffold plant, the hiring out of which is the group's principal activity. The increase in activity during 2013 is expected to be maintained in 2014 and the group is in a healthy position to take advantage of any upturn in the economic environment.

**Key performance indicators**

Key performance indicators for the group are turnover, gross margins, operating costs and profitability all of which are regularly reported on and reviewed.

This report was approved by the board on 22 May 2014 and signed on its behalf.



**N Rowswell**  
Director

## **G K R Logistics Limited**

### **Independent auditors' report to the shareholders of G K R Logistics Limited**

We have audited the financial statements of G K R Logistics Limited for the year ended 31 October 2013, set out on pages 6 to 22. 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 an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

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. 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 Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 October 2013 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **G K R Logistics Limited**

### **Independent auditors' report to the shareholders of G K R Logistics 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.

*Reeves & Co LLP*

Michael Cook BA Hons FCA (Senior statutory auditor)

for and on behalf of

**Reeves & Co LLP**

Chartered Accountants

Statutory Auditors

Third Floor

24 Chiswell Street

London

EC1Y 4YX

Date: *22 May 2014*

# G K R Logistics Limited

## Consolidated profit and loss account for the year ended 31 October 2013

|                                                      | Note | 2013<br>£          | 2012<br>£   |
|------------------------------------------------------|------|--------------------|-------------|
| <b>Turnover</b>                                      | 1,2  | <b>12,924,094</b>  | 11,124,621  |
| Cost of sales                                        |      | <b>(8,164,003)</b> | (6,977,894) |
| <b>Gross profit</b>                                  |      | <b>4,760,091</b>   | 4,146,727   |
| Distribution costs                                   |      | <b>(19,690)</b>    | (4,226)     |
| Administrative expenses                              |      | <b>(2,914,998)</b> | (2,077,581) |
| <b>Operating profit</b>                              | 3    | <b>1,825,403</b>   | 2,064,920   |
| Interest receivable and similar income               |      | <b>12,507</b>      | 20,086      |
| Interest payable and similar charges                 | 6    | <b>(10,967)</b>    | (17,105)    |
| <b>Profit on ordinary activities before taxation</b> |      | <b>1,826,943</b>   | 2,067,901   |
| Tax on profit on ordinary activities                 | 7    | <b>(509,118)</b>   | (613,635)   |
| <b>Profit on ordinary activities after taxation</b>  |      | <b>1,317,825</b>   | 1,454,266   |
| Minority interests                                   |      | <b>(65,891)</b>    | (54,386)    |
| <b>Profit for the financial year</b>                 | 18   | <b>1,251,934</b>   | 1,399,880   |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

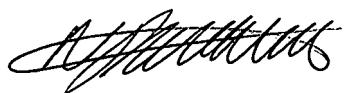
The notes on pages 10 to 22 form part of these financial statements.

Consolidated balance sheet  
as at 31 October 2013

|                                                                | Note | £           | 2013<br>£               | £                | 2012<br>£               |
|----------------------------------------------------------------|------|-------------|-------------------------|------------------|-------------------------|
| <b>Fixed assets</b>                                            |      |             |                         |                  |                         |
| Tangible assets                                                | 9    |             | 3,156,416               |                  | 2,784,059               |
| <b>Current assets</b>                                          |      |             |                         |                  |                         |
| Stocks                                                         | 12   | 990         |                         | 4,500            |                         |
| Debtors                                                        | 13   | 4,484,590   |                         | 2,434,443        |                         |
| Cash at bank                                                   |      | 799,048     |                         | 1,892,612        |                         |
|                                                                |      |             | <u>5,284,628</u>        | <u>4,331,555</u> |                         |
| <b>Creditors: amounts falling due within one year</b>          | 14   | (2,038,389) |                         | (1,669,158)      |                         |
| <b>Net current assets</b>                                      |      |             | <u>3,246,239</u>        |                  | <u>2,662,397</u>        |
| <b>Total assets less current liabilities</b>                   |      |             | <u>6,402,655</u>        |                  | <u>5,446,456</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 15   |             | (1,018,379)             |                  | (1,380,005)             |
| <b>Net assets</b>                                              |      |             | <u><u>5,384,276</u></u> |                  | <u><u>4,066,451</u></u> |
| <b>Capital and reserves</b>                                    |      |             |                         |                  |                         |
| Called up share capital                                        | 17   |             | 222                     |                  | 222                     |
| Profit and loss account                                        | 18   |             | 5,263,771               |                  | 4,011,837               |
| <b>Shareholders' funds</b>                                     | 19   |             | <u>5,263,993</u>        |                  | <u>4,012,059</u>        |
| <b>Minority interests</b>                                      | 20   |             | <u>120,283</u>          |                  | <u>54,392</u>           |
|                                                                |      |             | <u><u>5,384,276</u></u> |                  | <u><u>4,066,451</u></u> |

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

22 May 2014



N Rowswell  
Director

The notes on pages 10 to 22 form part of these financial statements.

**G K R Logistics Limited**  
**Registered number: 04164708**

**Company balance sheet**  
**as at 31 October 2013**

|                                                                | <b>Note</b> | <b>2013<br/>£</b> | <b>2012<br/>£</b> |
|----------------------------------------------------------------|-------------|-------------------|-------------------|
| <b>Fixed assets</b>                                            |             |                   |                   |
| Investments                                                    | 10          | 1,800,330         | 1,800,330         |
| <b>Current assets</b>                                          |             |                   |                   |
| Cash at bank                                                   |             | -                 | 17,252            |
| <b>Total assets less current liabilities</b>                   |             | <b>1,800,330</b>  | <b>1,817,582</b>  |
| <b>Creditors: amounts falling due after more than one year</b> | 15          | <b>(977,332)</b>  | <b>(994,584)</b>  |
| <b>Net assets</b>                                              |             | <b>822,998</b>    | <b>822,998</b>    |
| <b>Capital and Reserves</b>                                    |             |                   |                   |
| Called up share capital                                        | 17          | 222               | 222               |
| Profit and loss account                                        | 18          | 822,776           | 822,776           |
| <b>Shareholders' funds</b>                                     | 19          | <b>822,998</b>    | <b>822,998</b>    |

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

22 May 2014



**N Rowswell**  
**Director**

The notes on pages 10 to 22 form part of these financial statements.

# G K R Logistics Limited

## Consolidated cash flow statement for the year ended 31 October 2013

|                                                 | Note | 2013<br>£          | 2012<br>£        |
|-------------------------------------------------|------|--------------------|------------------|
| Net cash flow from operating activities         | 21   | 1,048,307          | 2,606,061        |
| Returns on investments and servicing of finance | 22   | 1,540              | 2,981            |
| Taxation                                        |      | (510,497)          | (740,567)        |
| Capital expenditure and financial investment    | 22   | (1,273,489)        | (455,038)        |
| <b>Cash (outflow)/inflow before financing</b>   |      | <b>(734,139)</b>   | <b>1,413,437</b> |
| Financing                                       | 22   | (359,425)          | (613,999)        |
| <b>(Decrease)/Increase in cash in the year</b>  |      | <b>(1,093,564)</b> | <b>799,438</b>   |

## Reconciliation of net cash flow to movement in net funds/debt for the year ended 31 October 2013

|                                                        | 2013<br>£        | 2012<br>£        |
|--------------------------------------------------------|------------------|------------------|
| (Decrease)/Increase in cash in the year                | (1,093,564)      | 799,438          |
| Cash outflow from decrease in debt and lease financing | 359,425          | 614,005          |
| <b>Movement in net debt in the year</b>                | <b>(734,139)</b> | <b>1,413,443</b> |
| Net funds/(debt) at 1 November 2012                    | 401,510          | (1,011,933)      |
| <b>Net (debt)/funds at 31 October 2013</b>             | <b>(332,629)</b> | <b>401,510</b>   |

The notes on pages 10 to 22 form part of these financial statements.

**Notes to the financial statements  
for the year ended 31 October 2013**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with applicable accounting standards.

**1.2 Basis of consolidation**

The financial statements consolidate the accounts of G K R Logistics Limited and all of its subsidiary undertakings ('subsidiaries'). The results of the subsidiaries are consolidated on a line by line basis.

The profit and loss account for the parent Company has not been included, as permitted by Section 408 of the Companies Act 2006.

**1.3 Turnover**

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**1.4 Intangible fixed assets and amortisation**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

|                     |   |                         |
|---------------------|---|-------------------------|
| Plant & machinery   | - | 20% straight line       |
| Motor vehicles      | - | 25% reducing balance    |
| Fixtures & fittings | - | 33.33% reducing balance |

Land and buildings are held in the balance sheet at a value confirmed by an independent qualified professional. A valuation shall be performed by a qualified valuer at least every five years and an interim valuation in year 3. Interim valuations in years 1, 2 and 4 should be carried out where it is likely that there has been a material change in value.

A depreciation charge has not been made on the grounds that the residual value is not materially different from the carrying value of the asset.

**1.6 Investments**

Investments in subsidiaries are valued at cost less provision for impairment.

**Notes to the financial statements  
for the year ended 31 October 2013**

**1. Accounting policies (continued)**

**1.7 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.8 Operating leases**

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**1.10 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**1.11 Pensions**

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

**2. Turnover**

The whole of the turnover for the group has been derived from its principal activity of scaffold suppliers.

All turnover arose within the United Kingdom.

**Notes to the financial statements  
for the year ended 31 October 2013**

**3. Operating profit**

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

|                                            | 2013<br>£       | 2012<br>£        |
|--------------------------------------------|-----------------|------------------|
| Amortisation - intangible fixed assets     | -               | 163,691          |
| Depreciation of tangible fixed assets:     |                 |                  |
| - owned by the group                       | 794,154         | 590,574          |
| - held under finance leases                | 2,343           | -                |
| Auditors' remuneration                     | 13,000          | 13,000           |
| Operating lease rentals:                   |                 |                  |
| - plant and machinery                      | 21,204          | 58,982           |
| Net profit/(loss) on sales of fixed assets | <u>(30,365)</u> | <u>(371,549)</u> |

Auditors remuneration for the company were £nil (2012: £nil)

**4. Staff costs**

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

|                       | 2013<br>£        | 2012<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 4,850,008        | 4,412,642        |
| Social security costs | 524,670          | 441,369          |
| Other pension costs   | 5,208            | 5,208            |
|                       | <u>5,379,886</u> | <u>4,859,219</u> |

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

|                       | 2013<br>No. | 2012<br>No. |
|-----------------------|-------------|-------------|
| Administration        | 20          | 19          |
| Scaffolders & Drivers | 121         | 112         |
|                       | <u>141</u>  | <u>131</u>  |

**5. Directors' remuneration**

|              | 2013<br>£      | 2012<br>£      |
|--------------|----------------|----------------|
| Remuneration | <u>170,769</u> | <u>170,768</u> |

**Notes to the financial statements  
for the year ended 31 October 2013**

**6. Interest payable**

|                                               | 2013<br>£     | 2012<br>£     |
|-----------------------------------------------|---------------|---------------|
| On other loans                                | 10,264        | 12,510        |
| On finance leases and hire purchase contracts | 703           | 614           |
| Other interest payable                        | -             | 3,981         |
|                                               | <u>10,967</u> | <u>17,105</u> |

**7. Taxation**

|                                                  | 2013<br>£      | 2012<br>£      |
|--------------------------------------------------|----------------|----------------|
| <b>Analysis of tax charge in the year</b>        |                |                |
| <b>Current tax</b> (see note below)              |                |                |
| UK corporation tax charge on profit for the year | 507,873        | 544,616        |
| <b>Deferred tax</b> (see note 16)                |                |                |
| Origination and reversal of timing differences   | 1,245          | 69,019         |
| <b>Tax on profit on ordinary activities</b>      | <u>509,118</u> | <u>613,635</u> |

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.21% (2012 - 24.64%). The differences are explained below:

|                                                                                                                  | 2013<br>£        | 2012<br>£        |
|------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Profit on ordinary activities before tax                                                                         | <u>1,826,943</u> | <u>2,067,901</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.21% (2012 - 24.64%) | 455,438          | 509,532          |
| <b>Effects of:</b>                                                                                               |                  |                  |
| Non-tax deductible amortisation of goodwill                                                                      | -                | 40,334           |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                        | 45,617           | 56,804           |
| Accelerated capital allowances                                                                                   | 6,818            | (62,054)         |
| <b>Current tax charge for the year</b> (see note above)                                                          | <u>507,873</u>   | <u>544,616</u>   |

Notes to the financial statements  
for the year ended 31 October 2013

8. Intangible fixed assets

|                                        | Goodwill<br>£ |
|----------------------------------------|---------------|
| <b>Group</b>                           |               |
| <b>Cost</b>                            |               |
| At 1 November 2012 and 31 October 2013 | 994,711       |
| <b>Amortisation</b>                    |               |
| At 1 November 2012 and 31 October 2013 | 994,711       |
| <b>Net book value</b>                  |               |
| At 31 October 2013                     | -             |

9. Tangible fixed assets

|                          | Freehold<br>property<br>£ | Plant &<br>machinery<br>£ | Motor<br>vehicles<br>£ | Fixtures &<br>fittings<br>£ | Total<br>£ |
|--------------------------|---------------------------|---------------------------|------------------------|-----------------------------|------------|
| <b>Group</b>             |                           |                           |                        |                             |            |
| <b>Cost or valuation</b> |                           |                           |                        |                             |            |
| At 1 November 2012       | 1,167,903                 | 2,778,521                 | 186,111                | 40,937                      | 4,173,472  |
| Additions                | -                         | 1,282,256                 | 16,000                 | 7,814                       | 1,306,070  |
| Disposals                | -                         | (232,027)                 | (3,727)                | -                           | (235,754)  |
| Revaluation deficit      | (135,000)                 | -                         | -                      | -                           | (135,000)  |
| At 31 October 2013       | 1,032,903                 | 3,828,750                 | 198,384                | 48,751                      | 5,108,788  |
| <b>Depreciation</b>      |                           |                           |                        |                             |            |
| At 1 November 2012       | -                         | 1,283,679                 | 66,843                 | 38,891                      | 1,389,413  |
| Charge for the year      | -                         | 759,841                   | 33,369                 | 3,287                       | 796,497    |
| On disposals             | -                         | (232,027)                 | (1,511)                | -                           | (233,538)  |
| At 31 October 2013       | -                         | 1,811,493                 | 98,701                 | 42,178                      | 1,952,372  |
| <b>Net book value</b>    |                           |                           |                        |                             |            |
| At 31 October 2013       | 1,032,903                 | 2,017,257                 | 99,683                 | 6,573                       | 3,156,416  |
| At 31 October 2012       | 1,167,903                 | 1,494,842                 | 119,268                | 2,046                       | 2,784,059  |

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

|                | 2013<br>£ | 2012<br>£ |
|----------------|-----------|-----------|
| <b>Group</b>   |           |           |
| Motor vehicles | 7,028     | 9,371     |

**Notes to the financial statements  
for the year ended 31 October 2013**

**9. Tangible fixed assets (continued)**

All capital allowances have been claimed against the cost of the building. If the building was sold, all of the disposal proceeds up to the value of the initial cost and indexation thereon would be subject to tax, giving a potential liability of £nil (2012: £17,198) at the present maximum company rate of 20%.

The land and buildings were revalued in November 2013 by an independent experienced professional, Porters Intrinsic Limited, on an open market existing use basis.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

**Group**

|                          | 2013<br>£        | 2012<br>£        |
|--------------------------|------------------|------------------|
| Cost                     | 1,167,903        | 1,167,903        |
| Accumulated depreciation | -                | -                |
| Total                    | <u>1,167,903</u> | <u>1,167,903</u> |

**10. Fixed asset investments**

| Company                                | Investments<br>in<br>subsidiary<br>companies<br>£ |
|----------------------------------------|---------------------------------------------------|
| <b>Cost or valuation</b>               |                                                   |
| At 1 November 2012 and 31 October 2013 | <u>1,800,330</u>                                  |
| <b>Net book value</b>                  |                                                   |
| At 31 October 2013                     | <u>1,800,330</u>                                  |
| At 31 October 2012                     | <u>1,800,330</u>                                  |

**11. Principal subsidiaries**

| Company name                  | Country           | Percentage<br>Shareholding   | Principle Activity      |
|-------------------------------|-------------------|------------------------------|-------------------------|
| G K R Scaffolding Limited     | England and Wales | 95% of<br>Ordinary<br>Shares | Scaffolding suppliers   |
| Frindsbury Properties Limited | England and Wales | 95% of<br>Ordinary<br>Shares | Property owning company |

Notes to the financial statements  
for the year ended 31 October 2013

12. Stocks

|                                     | <u>Group</u> |       | <u>Company</u> |      |
|-------------------------------------|--------------|-------|----------------|------|
|                                     | 2013         | 2012  | 2013           | 2012 |
|                                     | £            | £     | £              | £    |
| Finished goods and goods for resale | 990          | 4,500 | -              | -    |

13. Debtors

|                                  | <u>Group</u>     |                  | <u>Company</u> |          |
|----------------------------------|------------------|------------------|----------------|----------|
|                                  | 2013             | 2012             | 2013           | 2012     |
|                                  | £                | £                | £              | £        |
| Trade debtors                    | 4,036,538        | 1,977,952        | -              | -        |
| Other debtors                    | 258,622          | 291,638          | -              | -        |
| Prepayments and accrued income   | 130,087          | 104,265          | -              | -        |
| Deferred tax asset (see note 16) | 59,343           | 60,588           | -              | -        |
|                                  | <u>4,484,590</u> | <u>2,434,443</u> | <u>-</u>       | <u>-</u> |

14. Creditors:  
Amounts falling due within one year

|                                                                     | <u>Group</u>     |                  | <u>Company</u> |          |
|---------------------------------------------------------------------|------------------|------------------|----------------|----------|
|                                                                     | 2013             | 2012             | 2013           | 2012     |
|                                                                     | £                | £                | £              | £        |
| Bank loans and overdrafts                                           | 109,800          | 107,599          | -              | -        |
| Net obligations under finance leases<br>and hire purchase contracts | 3,498            | 3,498            | -              | -        |
| Trade creditors                                                     | 897,395          | 672,824          | -              | -        |
| Corporation tax                                                     | 242,973          | 245,597          | -              | -        |
| Other taxation and social security                                  | 629,981          | 453,798          | -              | -        |
| Other creditors                                                     | 86,283           | 71,892           | -              | -        |
| Accruals and deferred income                                        | 68,459           | 113,950          | -              | -        |
|                                                                     | <u>2,038,389</u> | <u>1,669,158</u> | <u>-</u>       | <u>-</u> |

**Notes to the financial statements  
for the year ended 31 October 2013**

**15. Creditors:  
Amounts falling due after more than one year**

|                                                                     | <b>Group</b>     |             | <b>Company</b> |             |
|---------------------------------------------------------------------|------------------|-------------|----------------|-------------|
|                                                                     | <b>2013</b>      | <b>2012</b> | <b>2013</b>    | <b>2012</b> |
|                                                                     | <b>£</b>         | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| Bank loans                                                          | <b>345,094</b>   | 456,805     | -              | -           |
| Other loans                                                         | <b>672,119</b>   | 918,535     | -              | -           |
| Net obligations under finance leases<br>and hire purchase contracts | <b>1,166</b>     | 4,665       | -              | -           |
| Amounts owed to group undertakings                                  | -                | -           | <b>977,332</b> | 994,584     |
|                                                                     | <b>1,018,379</b> | 1,380,005   | <b>977,332</b> | 994,584     |

Included within the above are amounts falling due as follows:

|                                    | <b>Group</b>   |             | <b>Company</b> |             |
|------------------------------------|----------------|-------------|----------------|-------------|
|                                    | <b>2013</b>    | <b>2012</b> | <b>2013</b>    | <b>2012</b> |
|                                    | <b>£</b>       | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| <b>Between one and two years</b>   |                |             |                |             |
| Bank loans                         | <b>109,800</b> | 107,600     | -              | -           |
| Other loans                        | <b>672,119</b> | 918,535     | -              | -           |
| <b>Between two and five years</b>  |                |             |                |             |
| Bank loans                         | <b>235,294</b> | 322,800     | -              | -           |
| <b>Over five years</b>             |                |             |                |             |
| Bank loans                         | -              | 26,405      | -              | -           |
| Amounts owed to group undertakings | -              | -           | <b>977,332</b> | 994,584     |

Creditors include amounts not wholly repayable within 5 years as follows:

|                                     | <b>Group</b> |             | <b>Company</b> |             |
|-------------------------------------|--------------|-------------|----------------|-------------|
|                                     | <b>2013</b>  | <b>2012</b> | <b>2013</b>    | <b>2012</b> |
|                                     | <b>£</b>     | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| Repayable by instalments            | -            | 26,405      | -              | -           |
| Repayable other than by instalments | -            | -           | <b>977,332</b> | 994,584     |
|                                     | -            | 26,405      | <b>977,332</b> | 994,584     |

The bank loans disclosed above bear interest at 1.5% per annum over Barclays Bank Plc's base rate. The loan is repayable by instalments until it is due to mature on 31 March 2025 and is secured by way of a first legal charge over the groups freehold property at Medway City Estate, Rochester, Kent.

**Notes to the financial statements  
for the year ended 31 October 2013**

**15. Creditors:  
Amounts falling due after more than one year (continued)**

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

|                            | <b>Group</b> |              | <b>Company</b> |             |
|----------------------------|--------------|--------------|----------------|-------------|
|                            | <b>2013</b>  | <b>2012</b>  | <b>2013</b>    | <b>2012</b> |
|                            | <b>£</b>     | <b>£</b>     | <b>£</b>       | <b>£</b>    |
| Between one and five years | <b>1,166</b> | <b>4,665</b> | -              | -           |

**16. Deferred taxation**

|                                             | <b>Group</b>   |                 | <b>Company</b> |             |
|---------------------------------------------|----------------|-----------------|----------------|-------------|
|                                             | <b>2013</b>    | <b>2012</b>     | <b>2013</b>    | <b>2012</b> |
|                                             | <b>£</b>       | <b>£</b>        | <b>£</b>       | <b>£</b>    |
| At beginning of year                        | <b>60,588</b>  | <b>129,607</b>  | -              | -           |
| (Charge for)/released during the year (P&L) | <b>(1,245)</b> | <b>(69,019)</b> | -              | -           |
| At end of year                              | <b>59,343</b>  | <b>60,588</b>   | -              | -           |

The deferred taxation balance is made up as follows:

|                                | <b>Group</b>  |               | <b>Company</b> |             |
|--------------------------------|---------------|---------------|----------------|-------------|
|                                | <b>2013</b>   | <b>2012</b>   | <b>2013</b>    | <b>2012</b> |
|                                | <b>£</b>      | <b>£</b>      | <b>£</b>       | <b>£</b>    |
| Accelerated capital allowances | <b>59,343</b> | <b>60,588</b> | -              | -           |

**17. Share capital**

|                                           | <b>2013</b> | <b>2012</b> |
|-------------------------------------------|-------------|-------------|
|                                           | <b>£</b>    | <b>£</b>    |
| <b>Allotted, called up and fully paid</b> |             |             |
| 222 Ordinary shares of £1 each            | <b>222</b>  | <b>222</b>  |

**Notes to the financial statements  
for the year ended 31 October 2013**

**18. Reserves**

|                                        | Profit and<br>loss account<br>£     |
|----------------------------------------|-------------------------------------|
| <b>Group</b>                           |                                     |
| At 1 November 2012                     | 4,011,837                           |
| Profit for the financial year          | 1,251,934                           |
|                                        | <u>5,263,771</u>                    |
| At 31 October 2013                     | <u>5,263,771</u>                    |
| <br><b>Company</b>                     | <br>Profit and<br>loss account<br>£ |
| At 1 November 2012 and 31 October 2013 | 822,776                             |
|                                        | <u>822,776</u>                      |

**19. Reconciliation of movement in shareholders' funds**

|                                                            | 2013<br>£        | 2012<br>£        |
|------------------------------------------------------------|------------------|------------------|
| <b>Group</b>                                               |                  |                  |
| Opening shareholders' funds                                | 4,012,059        | 2,612,179        |
| Profit for the financial year                              | 1,251,934        | 1,399,880        |
|                                                            | <u>5,263,993</u> | <u>4,012,059</u> |
| Closing shareholders' funds                                | <u>5,263,993</u> | <u>4,012,059</u> |
| <br><b>Company</b>                                         | <br>2013<br>£    | <br>2012<br>£    |
| Shareholders' funds at 1 November 2012 and 31 October 2013 | 822,998          | 822,998          |
|                                                            | <u>822,998</u>   | <u>822,998</u>   |

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year dealt with in the accounts of the company was £NIL (2012 - £NIL).

**20. Minority interests**

|                                                         | £              |
|---------------------------------------------------------|----------------|
| <b>Equity</b>                                           |                |
| At 1 November 2012                                      | 54,392         |
| Proportion of profit/(loss) after taxation for the year | 65,891         |
|                                                         | <u>120,283</u> |
| At 31 October 2013                                      | <u>120,283</u> |

**Notes to the financial statements  
for the year ended 31 October 2013**

**21. Net cash flow from operating activities**

|                                                  | 2013<br>£        | 2012<br>£        |
|--------------------------------------------------|------------------|------------------|
| Operating profit                                 | 1,825,403        | 2,064,920        |
| Amortisation of intangible fixed assets          | -                | 163,691          |
| Depreciation of tangible fixed assets            | 796,497          | 590,574          |
| Revaluation of freehold property                 | 135,000          | -                |
| Profit on disposal of tangible fixed assets      | (30,365)         | (371,549)        |
| Decrease/(increase) in stocks                    | 3,510            | (4,000)          |
| (Increase)/decrease in debtors                   | (2,051,392)      | 284,886          |
| Increase/(decrease) in creditors                 | 369,654          | (122,461)        |
| <b>Net cash inflow from operating activities</b> | <b>1,048,307</b> | <b>2,606,061</b> |

**22. Analysis of cash flows for headings netted in cash flow statement**

|                                                                             | 2013<br>£    | 2012<br>£    |
|-----------------------------------------------------------------------------|--------------|--------------|
| <b>Returns on investments and servicing of finance</b>                      |              |              |
| Interest received                                                           | 12,507       | 20,086       |
| Interest paid                                                               | (10,264)     | (16,491)     |
| Hire purchase interest                                                      | (703)        | (614)        |
| <b>Net cash inflow from returns on investments and servicing of finance</b> | <b>1,540</b> | <b>2,981</b> |

|                                                     | 2013<br>£          | 2012<br>£        |
|-----------------------------------------------------|--------------------|------------------|
| <b>Capital expenditure and financial investment</b> |                    |                  |
| Purchase of tangible fixed assets                   | (1,306,070)        | (826,587)        |
| Sale of tangible fixed assets                       | 32,581             | 371,549          |
| <b>Net cash outflow from capital expenditure</b>    | <b>(1,273,489)</b> | <b>(455,038)</b> |

|                                                | 2013<br>£        | 2012<br>£        |
|------------------------------------------------|------------------|------------------|
| <b>Financing</b>                               |                  |                  |
| Issue of ordinary shares to minority interests | -                | 6                |
| Repayment of loans                             | (109,510)        | (107,362)        |
| Repayment of other loans                       | (246,416)        | (514,806)        |
| (Repayment of)/new finance leases              | (3,499)          | 8,163            |
| <b>Net cash outflow from financing</b>         | <b>(359,425)</b> | <b>(613,999)</b> |

**Notes to the financial statements  
for the year ended 31 October 2013**

**23. Analysis of changes in net funds**

|                                               | 1 November<br>2012<br>£ | Cash flow<br>£   | Other<br>non-cash<br>changes<br>£ | 31 October<br>2013<br>£ |
|-----------------------------------------------|-------------------------|------------------|-----------------------------------|-------------------------|
| Cash at bank and in hand                      | 1,892,612               | (1,093,564)      | -                                 | 799,048                 |
| <b>Debt:</b>                                  |                         |                  |                                   |                         |
| Debts due within one year                     | (111,097)               | 359,425          | (361,626)                         | (113,298)               |
| Debts falling due after more than<br>one year | (1,380,005)             | -                | 361,626                           | (1,018,379)             |
| <b>Net funds</b>                              | <b>401,510</b>          | <b>(734,139)</b> | <b>-</b>                          | <b>(332,629)</b>        |

**24. Pension commitments**

The group operates a defined contributions pension scheme for two employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £5,208 (2012: £5,208).

**25. Operating lease commitments**

At 31 October 2013 the group had annual commitments under non-cancellable operating leases as follows:

|                       | Land and buildings |           | Other     |           |
|-----------------------|--------------------|-----------|-----------|-----------|
| Group                 | 2013<br>£          | 2012<br>£ | 2013<br>£ | 2012<br>£ |
| <b>Expiry date:</b>   |                    |           |           |           |
| Within 1 year         | -                  | -         | 6,196     | 7,577     |
| Between 1 and 2 years | -                  | -         | 8,098     | 6,760     |
| Between 2 and 5 years | 112,500            | 112,500   | 13,728    | 3,891     |

**26. Related party transactions**

G Rowswell, L Rowswell and N Rowswell are partners in G K & Y Rowswell Partnership. The invoiced value of management costs supplied by the Partnership was £445,000 (2012: £180,000). Certain expenses have been offset against the balance with the Partnership.

In addition to this there were loan repayments made to the Partnership of £415,000 resulting in a creditor at the year end of £672,119 (2012: £918,535).

There were sales to G K & Y Rowswell Partnership during the year to the value of £523 (Net) (2012: £2,801), at the year end there was a balance outstanding from this entity of £nil (2012: £238) which is shown within Trade Debtors.

**G K R Logistics Limited**

**Notes to the financial statements  
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**27. Controlling party**

The company is under the ultimate control of L Rowswell and N Rowswell by virtue of their 89.2% shareholding.