

Registered number: 04164708

G K R Logistics Limited

Directors' report and financial statements

for the year ended 31 October 2015



G K R Logistics Limited

Company Information

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

G K R Logistics Limited

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G K R Logistics Limited

Directors' report for the year ended 31 October 2015

The directors present their report and the audited financial statements for the year ended 31 October 2015.

Directors

The directors who served during the year were:

G Rowswell
L Rowswell
N Rowswell

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.

Dividends

The directors paid an ordinary dividend of £1,389 per share in the period.

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.

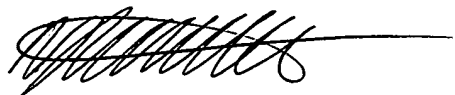
G K R Logistics Limited

**Directors' report
for the year ended 31 October 2015**

Auditors

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

This report was approved by the board on 20 May 2016 and signed on its behalf.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

N Rowswell
Director

G K R Logistics Limited

Group strategic report for the year ended 31 October 2015

Introduction

The directors present their strategic report and the financial statements for the year ended 31 October 2015.

Principal activity

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

Business review

In the year to 31 October 2015, sales increased by 58% to £20,842,842. Gross profit margin has increased to 44% from 37%. The group made a profit after tax of £3,478,194 (2014: £1,267,169).

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 2016 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.

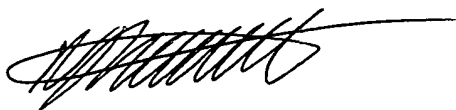
Development and performance

The group continues to invest in scaffold plant, the hiring out of which is the group's principal activity. The increase in activity during 2015 is expected to be maintained in 2016 and the group is in a healthy position to take advantage of the 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 20 May 2016 and signed on its behalf.



N Rowsell
Director

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 2015, 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 2015 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.

Michael Cook

Michael Cook BA Hons FCA (Senior statutory auditor)
for and on behalf of

Kreston Reeves LLP
Chartered Accountants
Statutory Auditors
Third Floor
24 Chiswell Street
London
EC1Y 4YX
Date:

20 May 2016

G K R Logistics Limited

Consolidated profit and loss account for the year ended 31 October 2015

	Note	2015 £	2014 £
Turnover	1,2	20,842,842	13,222,027
Cost of sales		<u>(11,753,243)</u>	<u>(8,333,266)</u>
Gross profit		9,089,599	4,888,761
Distribution costs		(43,906)	(34,233)
Administrative expenses		<u>(4,281,332)</u>	<u>(3,159,835)</u>
Operating profit	3	4,764,361	1,694,693
Interest receivable and similar income		8,116	13,189
Amounts written off investments		(240,000)	-
Interest payable and similar charges	6	<u>(6,980)</u>	<u>(8,801)</u>
Profit on ordinary activities before taxation		4,525,497	1,699,081
Tax on profit on ordinary activities	7	<u>(1,047,303)</u>	<u>(431,912)</u>
Profit for the financial year	18	<u>3,478,194</u>	<u>1,267,169</u>

All amounts relate to continuing operations.

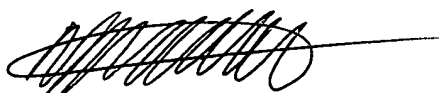
There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

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

Consolidated balance sheet
as at 31 October 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	9		4,777,128		3,222,672
Investments	10		-		240,000
			<u>4,777,128</u>		<u>3,462,672</u>
Current assets					
Stocks	12	2,400		3,200	
Debtors	13	6,179,414		3,591,434	
Cash at bank		2,535,264		2,164,458	
		<u>8,717,078</u>		<u>5,759,092</u>	
Creditors: amounts falling due within one year	14	(3,548,620)		(2,033,478)	
Net current assets			<u>5,168,458</u>		<u>3,725,614</u>
Total assets less current liabilities			<u>9,945,586</u>		<u>7,188,286</u>
Creditors: amounts falling due after more than one year	15		(124,247)		(536,841)
Net assets			<u><u>9,821,339</u></u>		<u><u>6,651,445</u></u>
Capital and reserves					
Called up share capital	17		222		222
Profit and loss account	18		9,821,117		6,651,223
Shareholders' funds	19		<u><u>9,821,339</u></u>		<u><u>6,651,445</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
20 May 2016.



N Rowswell
Director

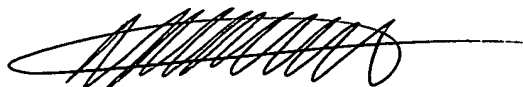
The notes on pages 10 to 22 form part of these financial statements.

G K R Logistics Limited
Registered number: 04164708

Company balance sheet
as at 31 October 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	10	<u>1,800,336</u>	<u>1,800,336</u>
Total assets less current liabilities		<u>1,800,336</u>	<u>1,800,336</u>
Creditors: amounts falling due after more than one year	15	<u>-</u>	<u>(977,338)</u>
Net assets		<u><u>1,800,336</u></u>	<u><u>822,998</u></u>
Capital and reserves			
Called up share capital	17	222	222
Profit and loss account	18	<u>1,800,114</u>	<u>822,776</u>
Shareholders' funds	19	<u><u>1,800,336</u></u>	<u><u>822,998</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
20 May 2016.



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 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	21	4,508,952	3,342,618
Returns on investments and servicing of finance	22	1,136	4,388
Taxation		(425,074)	(509,077)
Capital expenditure and financial investment	22	(2,996,314)	(989,683)
Equity dividends paid		(308,300)	-
Cash inflow before financing		780,400	1,848,246
Financing	22	(409,594)	(482,836)
Increase/(decrease) in cash in the year		370,806	1,365,410

Reconciliation of net cash flow to movement in net funds/(debt) for the year ended 31 October 2015

	2015 £	2014 £
Increase/(decrease) in cash in the year	370,806	1,365,410
Cash outflow from decrease in debt and lease financing	409,594	482,836
Movement in net funds in the year	780,400	1,848,246
Net funds/(debt) at 1 November 2014	1,515,617	(332,629)
Net funds at 31 October 2015	2,296,017	1,515,617

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

**Notes to the financial statements
for the year ended 31 October 2015**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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 services relating to the erection and dismantling of scaffolding during the year, exclusive of Value Added Tax and trade discounts.

Included within turnover are rents receivable net of Value Added Tax, credit for which is taken on an accruals basis.

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 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 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

(i) Subsidiary undertakings

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

(ii) Other investments

Investments held as fixed assets are shown at cost less provision for impairment.

**Notes to the financial statements
for the year ended 31 October 2015**

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 group. 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.

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.

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 2015**

3. Operating profit

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

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the group	1,486,315	930,171
- held under finance leases	1,318	1,757
Auditors' remuneration	14,000	14,000
Operating lease rentals:		
- plant and machinery	19,453	12,820
- other operating leases	(11,397)	18,395
Net profit on sale of fixed assets	(45,775)	(8,501)
	<u> </u>	<u> </u>

Auditors remuneration for the company was £Nil (2014: £Nil).

4. Staff costs

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

	2015 £	2014 £
Wages and salaries	8,721,502	5,930,692
Social security costs	948,112	647,607
Other pension costs	59,815	22,167
	<u>9,729,429</u>	<u>6,600,466</u>

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

	2015 No.	2014 No.
Administration	26	22
Scaffolders & Drivers	197	141
	<u>223</u>	<u>163</u>

5. Directors' remuneration

	2015 £	2014 £
Remuneration	<u>205,552</u>	<u>170,768</u>

The highest paid director received remuneration of £102,776 (2014 - £85,384).

**Notes to the financial statements
for the year ended 31 October 2015**

6. Interest payable

	2015 £	2014 £
On bank loans	5,833	8,098
On hire purchase contracts	379	703
On overdue tax	768	-
	<u>6,980</u>	<u>8,801</u>

7. Taxation

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	1,055,474	425,077
Deferred tax (see note 16)		
Origination and reversal of timing differences	(8,171)	6,835
Tax on profit on ordinary activities	<u>1,047,303</u>	<u>431,912</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.4% (2014 - 21.8%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>4,525,497</u>	<u>1,699,081</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.4% (2014 - 21.8%)	923,201	370,400
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	112,050	54,562
Depreciation for the year in excess of capital allowances	20,223	115
Current tax charge for the year (see note above)	<u>1,055,474</u>	<u>425,077</u>

**Notes to the financial statements
for the year ended 31 October 2015**

8. Intangible fixed assets

	Goodwill £
Group	
Cost	
At 1 November 2014 and 31 October 2015	994,711
Amortisation	
At 1 November 2014 and 31 October 2015	994,711
Net book value	
At 31 October 2015	-

9. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Group					
Cost					
At 1 November 2014	1,032,903	4,526,347	198,384	51,706	5,809,340
Additions	-	3,032,759	-	13,620	3,046,379
Disposals	-	(227,095)	(10,169)	-	(237,264)
At 31 October 2015	1,032,903	7,332,011	188,215	65,326	8,618,455
Depreciation					
At 1 November 2014	-	2,426,319	123,622	36,727	2,586,668
Charge for the year	-	1,460,492	17,618	9,523	1,487,633
On disposals	-	(227,095)	(5,879)	-	(232,974)
At 31 October 2015	-	3,659,716	135,361	46,250	3,841,327
Net book value					
At 31 October 2015	1,032,903	3,672,295	52,854	19,076	4,777,128
At 31 October 2014	1,032,903	2,100,028	74,762	14,979	3,222,672

**Notes to the financial statements
for the year ended 31 October 2015**

9. Tangible fixed assets (continued)

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

Group

	2015	2014
	£	£
Motor vehicles	-	5,271

The land and buildings were revalued in March 2015 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

	2015	2014
	£	£
Cost	1,167,903	1,167,903
Accumulated depreciation	-	-
Total	1,167,903	1,167,903

10. Fixed asset investments

	Unlisted investments £
Group	
Cost or valuation	
At 1 November 2014 and 31 October 2015	240,000
Impairment	
At 1 November 2014	-
Charge for the year	240,000
At 31 October 2015	240,000
Net book value	
At 31 October 2015	-
At 31 October 2014	240,000

G K R Logistics Limited

**Notes to the financial statements
for the year ended 31 October 2015**

10. Fixed asset investments (continued)

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2014 and 31 October 2015	1,800,336
Net book value	
At 31 October 2015	1,800,336
At 31 October 2014	1,800,336

**Notes to the financial statements
for the year ended 31 October 2015**

11. Principal subsidiaries

Company name	Country	Percentage shareholding	Principle activity
G K R Scaffolding Limited	England and Wales	100% of Ordinary Shares	Scaffolding suppliers
Frindsbury Properties Limited	England and Wales	100% of Ordinary Shares	Property investment

12. Stocks

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Finished goods and goods for resale	2,400	3,200	-	-

13. Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	5,849,954	3,332,087	-	-
Other debtors	81,512	13,151	-	-
Prepayments and accrued income	187,269	193,688	-	-
Deferred tax asset (see note 16)	60,679	52,508	-	-
	6,179,414	3,591,434	-	-

**14. Creditors:
Amounts falling due within one year**

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans	115,000	112,000	-	-
Trade creditors	1,395,663	942,055	-	-
Corporation tax	789,373	158,973	-	-
Other taxation and social security	924,996	751,818	-	-
Other creditors	177,293	6,715	-	-
Accruals and deferred income	146,295	61,917	-	-
	3,548,620	2,033,478	-	-

**Notes to the financial statements
for the year ended 31 October 2015**

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans	124,247	231,190	-	-
Other loan	-	305,651	-	-
Amounts owed to group undertakings	-	-	-	977,338
	124,247	536,841	-	977,338

Included within the above are amounts falling due as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Between one and two years				
Bank loans	115,000	112,000	-	-
Other loan	-	305,651	-	-
Between two and five years				
Bank loans	9,247	119,190	-	-
Over five years				
Amounts owed to group undertakings	-	-	-	977,338

Further disclosure of the amount included in Other loan has been included in note 26.

The Bank loans in notes 14 and 15 above total £243,870 (2014: £343,190) and are due to Barclays Bank plc. The loans bear interest at a rate of 1.5% over Barclays Bank plc base rate and are due for repayment on 31 March 2025. The loans are secured against the group's freehold property.

16. Deferred taxation

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
At beginning of year	52,508	59,343	-	-
Charge for year (Profit & loss account)	8,171	(6,835)	-	-
At end of year	60,679	52,508	-	-

The deferred taxation balance is made up as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Accelerated capital allowances	60,679	52,508	-	-

G K R Logistics Limited

Notes to the financial statements for the year ended 31 October 2015

17. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
222 Ordinary shares of £1 each	<u>222</u>	<u>222</u>

18. Reserves

	Profit and loss account £
Group	
At 1 November 2014	6,651,223
Profit for the financial year	3,478,194
Dividends: Equity capital	(308,300)
	<u>9,821,117</u>
At 31 October 2015	<u>9,821,117</u>
	Profit and loss account £
Company	
At 1 November 2014	822,776
Profit for the financial year	1,285,638
Dividends: Equity capital	(308,300)
	<u>1,800,114</u>
At 31 October 2015	<u>1,800,114</u>

**Notes to the financial statements
for the year ended 31 October 2015**

19. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Group		
Opening shareholders' funds	6,651,445	5,263,993
Profit for the financial year	3,478,194	1,267,169
Dividends (Note 20)	(308,300)	-
Transfer of minority interest	-	120,283
	<u>9,821,339</u>	<u>6,651,445</u>
Closing shareholders' funds		
	<u>9,821,339</u>	<u>6,651,445</u>
	2015 £	2014 £
Company		
Opening shareholders' funds	822,998	822,998
Profit for the financial year	1,285,638	-
Dividends (Note 20)	(308,300)	-
	<u>1,800,336</u>	<u>822,998</u>
Closing shareholders' funds		
	<u>1,800,336</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 £1,285,638 (2014 - £NIL).

20. Dividends

	2015 £	2014 £
Dividends paid on equity capital	<u>308,300</u>	<u>-</u>

21. Net cash flow from operating activities

	2015 £	2014 £
Operating profit	4,764,361	1,694,693
Depreciation of tangible fixed assets	1,487,633	931,928
Profit on disposal of tangible fixed assets	(45,775)	(8,501)
Decrease/(increase) in stocks	800	(2,210)
(Increase)/decrease in debtors	(2,579,808)	646,321
Increase in creditors	881,741	80,387
	<u>4,508,952</u>	<u>3,342,618</u>
Net cash inflow from operating activities		
	<u>4,508,952</u>	<u>3,342,618</u>

**Notes to the financial statements
for the year ended 31 October 2015**

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

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	8,116	13,189
Interest paid	(6,601)	(8,098)
Hire purchase interest	(379)	(703)
	<u>1,136</u>	<u>4,388</u>
Net cash inflow from returns on investments and servicing of finance	<u>1,136</u>	<u>4,388</u>
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(3,046,379)	(998,522)
Sale of tangible fixed assets	50,065	8,839
	<u>(2,996,314)</u>	<u>(989,683)</u>
Net cash outflow from capital expenditure	<u>(2,996,314)</u>	<u>(989,683)</u>
	2015 £	2014 £
Financing		
Repayment of bank loans	(103,943)	(111,704)
Repayment of other loan	(305,651)	(366,468)
Repayment of finance leases	-	(4,664)
	<u>(409,594)</u>	<u>(482,836)</u>
Net cash outflow from financing	<u>(409,594)</u>	<u>(482,836)</u>

23. Analysis of changes in net debt

	1 November 2014 £	Cash flow £	Other non-cash changes £	31 October 2015 £
Cash at bank and in hand	2,164,458	370,806	-	2,535,264
Debt:				
Debts due within one year	(112,000)	409,594	(412,594)	(115,000)
Debts falling due after more than one year	(536,841)	-	412,594	(124,247)
Net funds	<u>1,515,617</u>	<u>780,400</u>	<u>-</u>	<u>2,296,017</u>

**Notes to the financial statements
for the year ended 31 October 2015**

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 group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £14,008 (2014: £5,208).

In addition, the group's contributions to NEST in the year amounted to £45,807 (2014: £16,959). At the year end £11,195 (2014: £5,528) remained unpaid.

25. Operating lease commitments

At 31 October 2015 the group had annual commitments under non-cancellable operating leases as follows:

Group	2015	2014
	£	£
Expiry date:		
Within 1 year	12,455	8,242
Between 1 and 2 years	19,274	22,638
Between 2 and 5 years	67,173	15,706

26. Related party transactions

During the year the group was charged management charges of £385,000 (2014: £336,000) plus VAT and £12,240 (2014: £7,858) plus VAT for hire of vehicles by G K & Y Rowswell Partnership, a partnership of which all directors are partners of. In addition, the group paid expenses on behalf of the partnership totalling £3,945 (2014: £6,468) and made loan repayments totalling £313,729 (2014: £772,630). At the balance sheet date the group was owed £13,028 (2014: owed to £305,651) by the partnership and is included in other debtors in note 13 to the accounts.

During the year the group met expenditure on behalf of N Rowswell totalling £1,678 (2014: £Nil). At the balance sheet date the group was owed £1,678 (2014: £Nil) and is included in other debtors in note 13 to the accounts.

During the year the group made a loan to L Rowswell of £38,000 (2014: £Nil). At the balance sheet date the group was owed £38,000 (2014: £Nil) and is included in other debtors in note 13 to the accounts.

27. Controlling party

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