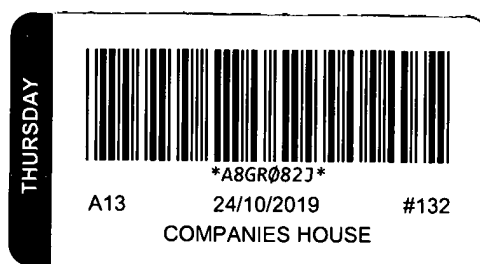


REGISTERED NUMBER: 01169341 (England and Wales)

Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 May 2019
for
Centregreat Limited



Contents of the Financial Statements
for the Year Ended 31 May 2019

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Centregreat Limited

Company Information
for the Year Ended 31 May 2019

DIRECTORS:

Mr J C Mathias
Mr D M Mathias
Mr R C Lewis
Mr D H Daniel
Mr S J Lambert

SECRETARY:

Mr J C Mathias

REGISTERED OFFICE:

Parcau Isaf Farm
Laleston
Bridgend
CF32 0NB

REGISTERED NUMBER:

01169341 (England and Wales)

AUDITORS:

WBV Limited
The Third Floor
Langdon House
Langdon Road
Swansea
SA1 8QY

Strategic Report
for the Year Ended 31 May 2019

The directors present their strategic report for the year ended 31 May 2019.

REVIEW OF BUSINESS

The most important element of the company's turnover continues to be derived from street lighting maintenance, which comprised 91.2% (2018: 87.4%) of the total. This element of turnover increased by 15.3%, compared to a decrease of 15.1% in 2018.

The company's staffing levels increased from an average of 228 in 2018 to 231 in 2019.

The total amount lent to the company by the directors amounted to £211,017 at the year end (2018: £212,337).

The working capital has increased from £6,374,998 at 31 May 2018 to £6,621,101 at 31 May 2019.

The company's key financial performance indicators during the year were as follows:

Gross Profit Margin	16.54% (2018: 17.90%)
Net Profit Margin	1.00% (2018: 1.45%)
Annual Turnover Growth	10.31% (2018: -11.58%)

PRINCIPAL RISKS AND UNCERTAINTIES

In common with similar businesses, the company is at risk from adverse changes in economic conditions and customers' tighter budgets. The brexit process has created increased uncertainties in connection with the supply chain and the procurement process.

The company is involved in electrical installations, which associated health and safety risks and it runs a large fleet of commercial vehicles with corresponding risks. Against a background of an increased demand for skilled staff to work in the field of infrastructure contracts, the company has to maintain its ability to recruit, train and control new employees.

The directors have therefore considered the financial risks involved in undertaking its range of activities, and consider the company has an appropriate level of specialist staff to supervise and control its operations.

ON BEHALF OF THE BOARD:



Mr J C Matthias - Director

22 October 2019

Report of the Directors
for the Year Ended 31 May 2019

The directors present their report with the financial statements of the company for the year ended 31 May 2019.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of street lighting maintenance.

DIVIDENDS

No dividends will be distributed for the year ended 31 May 2019.

FUTURE DEVELOPMENTS

The directors anticipate the company will continue to operate profitably. The company has secured additional contracts related to modernisation of critical infrastructure projects, and the directors anticipate these will lead to successful and profitable outcomes in the years ahead. The directors consider that the company has adequate capital to fund its activities over the forthcoming year.

The directors believe the company has sufficient financial resources, and also a capable management team, which will enable it to properly deal with future developments.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2018 to the date of this report.

Mr J C Mathias
Mr D M Mathias
Mr R C Lewis
Mr D H Daniel
Mr S J Lambert

FINANCIAL INSTRUMENTS

The directors have carefully considered the financial risks involved in undertaking its range of activities, and consider the company has an appropriate level of specialist staff to supervise and control its operations.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Directors
for the Year Ended 31 May 2019

AUDITORS

The auditors, WBV Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'J C Mathias', written over the text 'ON BEHALF OF THE BOARD:' and 'Mr J C Mathias - Director'.

Mr J C Mathias - Director

22 October 2019

Report of the Independent Auditors to the Members of Centregreat Limited

Opinion

We have audited the financial statements of Centregreat Limited (the 'company') for the year ended 31 May 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Centregreat Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page three, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

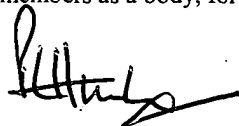
Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Philip Hunkin.BSc FCA (Senior Statutory Auditor)
for and on behalf of WBV Limited
The Third Floor
Langdon House
Langdon Road
Swansea
SA1 8QY

22 October 2019

Income Statement
for the Year Ended 31 May 2019

	Notes	31.5.19 £	£	31.5.18 £	£
TURNOVER	3		26,907,577		24,393,117
Cost of sales			22,456,696		20,045,155
GROSS PROFIT			4,450,881		4,347,962
Administrative expenses			4,180,507		3,983,895
			270,374		364,067
Other operating income			-		52,774
OPERATING PROFIT	5		270,374		416,841
Interest receivable and similar income		562		2,319	
Other finance income	17	8,000		2,000	
			8,562		4,319
			278,936		421,160
Interest payable and similar expenses	6		10,235		591
PROFIT BEFORE TAXATION			268,701		420,569
Tax on profit	7		53,600		68,376
PROFIT FOR THE FINANCIAL YEAR			215,101		352,193

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 31 May 2019


	Notes	31.5.19 £	31.5.18 £
PROFIT FOR THE YEAR		215,101	352,193
OTHER COMPREHENSIVE (LOSS)/INCOME			
Gain/loss on defined benefit scheme		(105,000)	199,000
Income tax relating to other comprehensive (loss)/income		-	-
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(105,000)</u>	<u>199,000</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>110,101</u></u>	<u><u>551,193</u></u>

The notes form part of these financial statements

Balance Sheet
31 May 2019

	Notes	31.5.19 £	£	31.5.18 £	£
FIXED ASSETS					
Tangible assets	8		150,858		208,860
CURRENT ASSETS					
Stocks	9	819,898		1,615,037	
Debtors: amounts falling due within one year	10	5,621,321		6,507,310	
Debtors: amounts falling due after more than one year	10	2,583,531		2,212,433	
Cash at bank		1,922,394		785,019	
		10,947,144		11,119,799	
CREDITORS					
Amounts falling due within one year	11	4,326,043		4,744,801	
NET CURRENT ASSETS			6,621,101		6,374,998
TOTAL ASSETS LESS CURRENT LIABILITIES			6,771,959		6,583,858
PENSION ASSET	17		183,000		261,000
NET ASSETS			6,954,959		6,844,858
CAPITAL AND RESERVES					
Called up share capital	15		60,000		60,000
Retained earnings	16		6,894,959		6,784,858
SHAREHOLDERS' FUNDS			6,954,959		6,844,858

The financial statements were approved by the Board of Directors on 22 October 2019 and were signed on its behalf by:



Mr J C Mathias - Director

Statement of Changes in Equity
for the Year Ended 31 May 2019

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 June 2017	60,000	5,544,044	689,621	6,293,665
Changes in equity				
Profit for the year	-	352,193	-	352,193
Other comprehensive income	-	888,621	(689,621)	199,000
Total comprehensive income	-	1,240,814	(689,621)	551,193
Balance at 31 May 2018	60,000	6,784,858	-	6,844,858
Changes in equity				
Profit for the year	-	215,101	-	215,101
Other comprehensive income	-	(105,000)	-	(105,000)
Total comprehensive income	-	110,101	-	110,101
Balance at 31 May 2019	60,000	6,894,959	-	6,954,959

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 May 2019

	Notes	31.5.19 £	31.5.18 £
Cash flows from operating activities			
Cash generated from operations	1	1,238,743	(2,184,670)
Interest paid		(10,235)	(591)
Tax paid		(66,841)	(178,380)
Net cash from operating activities		<u>1,161,667</u>	<u>(2,363,641)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(37,008)	(37,561)
Sale of tangible fixed assets		17,630	486,510
Sale of investment property		-	2,200,000
Interest received		562	2,319
Net cash from investing activities		<u>(18,816)</u>	<u>2,651,268</u>
Cash flows from financing activities			
Amount withdrawn by directors		(1,320)	(1,496,683)
Net cash from financing activities		<u>(1,320)</u>	<u>(1,496,683)</u>
Increase/(decrease) in cash and cash equivalents		<u>1,141,531</u>	<u>(1,209,056)</u>
Cash and cash equivalents at beginning of year	2	779,132	1,988,188
Cash and cash equivalents at end of year	2	<u><u>1,920,663</u></u>	<u><u>779,132</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 May 2019

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.5.19	31.5.18
	£	£
Profit before taxation	268,701	420,569
Depreciation charges	91,972	110,363
Profit on disposal of fixed assets	(14,592)	(158,941)
Financial instrument net gains/(losses)	(19,000)	24,000
Finance costs	10,235	591
Finance income	(8,562)	(4,319)
	<hr/>	<hr/>
	328,754	392,263
Decrease/(increase) in stocks	795,139	(999,796)
Decrease/(increase) in trade and other debtors	585,887	(418,943)
Decrease in trade and other creditors	(471,037)	(1,158,194)
	<hr/>	<hr/>
Cash generated from operations	1,238,743	(2,184,670)
	<hr/>	<hr/>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 May 2019

	31.5.19	1.6.18
	£	£
Cash and cash equivalents	1,922,394	785,019
Bank overdrafts	(1,731)	(5,887)
	<hr/>	<hr/>
	1,920,663	779,132
	<hr/>	<hr/>

Year ended 31 May 2018

	31.5.18	1.6.17
	£	£
Cash and cash equivalents	785,019	1,993,746
Bank overdrafts	(5,887)	(5,558)
	<hr/>	<hr/>
	779,132	1,988,188
	<hr/>	<hr/>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 May 2019

1. STATUTORY INFORMATION

Centregreat Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Depreciation

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the asset.

(ii) Recoverability of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

(iii) Work in progress

Work in progress is based on judgements made in respect of the profitability of a contract. Such judgements are arrived at through the use of estimates in relation to costs and value of work performed to date.

Turnover

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

Street Lighting, the company recognises revenue when:

The amount of revenue can be reliably measured, turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Recharges to associates, the company recognises revenue when services are rendered and costs are identified.

Car Park income is recognised when it is received or when the right to receive payment is established.

Notes to the Financial Statements - continued
for the Year Ended 31 May 2019

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 33% on cost and 12.5% on cost
Motor vehicles	- 20% on cost

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined benefit pension scheme. The pension asset in the balance sheet represents the value of scheme assets less the present value of scheme liabilities. Actuarial gains/losses are reflected in the statement of recognised gains and losses.

The company also operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 May 2019

2. ACCOUNTING POLICIES - continued

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised at the transaction price.

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by class of business is given below:

	31.5.19	31.5.18
	£	£
Street Lighting Maintenance	24,552,139	21,302,938
Recharges to Associates	2,233,645	2,970,219
Car Parking	121,793	119,960
	<u>26,907,577</u>	<u>24,393,117</u>

The company's revenue for the year is derived from the rendering of services in the amount of £26,907,577 (2018: £24,393,117).

4. EMPLOYEES AND DIRECTORS

	31.5.19	31.5.18
	£	£
Wages and salaries	7,173,908	6,704,455
Social security costs	681,133	673,531
Other pension costs	456,511	437,597
	<u>8,311,552</u>	<u>7,815,583</u>

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

	31.5.19	31.5.18
Production	162	166
Administration and support	69	62
	<u>231</u>	<u>228</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2019

4. EMPLOYEES AND DIRECTORS - continued

	31.5.19	31.5.18
	£	£
Directors' remuneration	391,460	446,760

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	2	3
-------------------------	---	---

Information regarding the highest paid director is as follows:

	31.5.19	31.5.18
	£	£
Emoluments etc	137,000	177,588

5. OPERATING PROFIT

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

	31.5.19	31.5.18
	£	£
Hire of plant and machinery	352,528	451,022
Vehicle Hire	1,971,031	1,850,173
Depreciation - owned assets	91,972	110,363
Profit on disposal of fixed assets	(14,592)	(158,941)
Auditors' remuneration	16,000	13,500

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.5.19	31.5.18
	£	£
Bank interest	8,364	591
Other interest payable	1,871	-
	10,235	591

7. TAXATION

Analysis of the tax charge

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

	31.5.19	31.5.18
	£	£
Current tax:		
UK corporation tax	53,600	68,376
Tax on profit	53,600	68,376

UK corporation tax has been charged at 19% (2018 - 19%).

Notes to the Financial Statements - continued
for the Year Ended 31 May 2019

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	31.5.19 £	31.5.18 £
Profit before tax	268,701	420,569
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	51,053	79,908
Effects of:		
Expenses not deductible for tax purposes	4,794	11,285
Income not taxable for tax purposes	(4,292)	(30,198)
Depreciation in excess of capital allowances	3,580	5,846
Adjustments to tax charge in respect of previous periods	(1,535)	1,535
Total tax charge	53,600	68,376

Tax effects relating to effects of other comprehensive income

	31.5.19 Gross £	Tax £	Net £
Gain/loss on defined benefit scheme	(105,000)	-	(105,000)
	31.5.18 Gross £	Tax £	Net £
Gain/loss on defined benefit scheme	199,000	-	199,000

Notes to the Financial Statements - continued
for the Year Ended 31 May 2019

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 June 2018	495,176	801,626	1,296,802
Additions	8,758	28,250	37,008
Disposals	(29,245)	(51,250)	(80,495)
At 31 May 2019	474,689	778,626	1,253,315
DEPRECIATION			
At 1 June 2018	429,542	658,400	1,087,942
Charge for year	16,540	75,432	91,972
Eliminated on disposal	(26,907)	(50,550)	(77,457)
At 31 May 2019	419,175	683,282	1,102,457
NET BOOK VALUE			
At 31 May 2019	55,514	95,344	150,858
At 31 May 2018	65,634	143,226	208,860

9. STOCKS

	31.5.19 £	31.5.18 £
Stocks	257,231	285,615
Work-in-progress	562,667	1,329,422
	819,898	1,615,037

The cost of stocks recognised as an expense in the year amounted to £7,555,313 (2018 - £8,322,841).

10. DEBTORS

	31.5.19 £	31.5.18 £
Amounts falling due within one year:		
Trade debtors	4,785,348	5,135,314
Amounts owed by participating interests	529,629	1,073,615
Other debtors	306,344	298,381
	5,621,321	6,507,310
Amounts falling due after more than one year:		
Trade debtors	-	794,663
Amounts owed by participating interests	2,583,531	1,417,770
	2,583,531	2,212,433
Aggregate amounts	8,204,852	8,719,743

Notes to the Financial Statements - continued
for the Year Ended 31 May 2019

10. DEBTORS - continued

Included in debtors due after more than one year is an amount due from a related company. The company is related as a result of common directorship. The financial position of the related company has been considered to determine the recoverability of the debt. The related company accounts for that year show that the company generated profits in the last year and the directors consider that the company will continue to generate profits for the foreseeable future.

Whilst the company has significant reserves, based on the directors assessment of the future profits they consider that the balance will be recovered over a five year period.

As a result the directors do not consider a provision for the recoverability of the balance to be appropriate.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.19	31.5.18
	£	£
Bank loans and overdrafts (see note 12)	1,731	5,887
Trade creditors	2,621,955	3,183,657
Amounts owed to participating interests	-	3,171
Tax	55,135	68,376
Social security and other taxes	225,471	191,790
VAT	547,133	302,429
Other creditors	663,601	777,154
Directors' loan accounts	211,017	212,337
	<u>4,326,043</u>	<u>4,744,801</u>

12. LOANS

An analysis of the maturity of loans is given below:

	31.5.19	31.5.18
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>1,731</u>	<u>5,887</u>

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.5.19	31.5.18
	£	£
Within one year	24,000	206,000
Between one and five years	978,500	24,000
	<u>1,002,500</u>	<u>230,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2019

14. SECURED DEBTS

The following secured debts are included within creditors:

	31.5.19	31.5.18
	£	£
Bank overdraft	1,731	-
	<u>1,731</u>	<u>-</u>

Composite Company Unlimited Multilateral Guarantee given by Centregreat Limited and all associated companies.

Fixed charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future.

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.5.19	31.5.18
Number:	Class:	Nominal value:	£	£
60,000	Ordinary	1	60,000	60,000
			<u>60,000</u>	<u>60,000</u>

Each ordinary share has full rights in the company with respect to voting, dividends and distributions.

16. RESERVES

	Retained earnings £
At 1 June 2018	6,784,858
Profit for the year	215,101
Actuarial Pension (loss)/gain	(105,000)
At 31 May 2019	<u>6,894,959</u>

17. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined benefit pension scheme. A full valuation by an independent qualified actuary was carried out on 19 June 2019, which set out the pension cost information as at 31 May 2019.

The company contribution rate is 24.7% (2018: 22.5%) of pensionable salary into the scheme.

Notes to the Financial Statements - continued
for the Year Ended 31 May 2019

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	31.5.19	31.5.18
	£	£
Current service cost	195,000	221,000
Net interest from net defined benefit asset/liability	(8,000)	(2,000)
Past service cost	-	-
	<u>187,000</u>	<u>219,000</u>
Actual return on plan assets	<u>190,000</u>	<u>88,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.5.19	31.5.18
	£	£
Opening defined benefit obligation	4,005,000	3,962,000
Current service cost	195,000	221,000
Contributions by scheme participants	4,000	4,000
Interest cost	114,000	105,000
Benefits paid	(42,000)	(69,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(118,000)	-
Actuarial (gains)/losses from changes in financial assumptions	246,000	(218,000)
Oblig other remeasurement	45,000	-
	<u>4,449,000</u>	<u>4,005,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.5.19	31.5.18
	£	£
Opening fair value of scheme assets	4,266,000	4,046,000
Contributions by employer	214,000	197,000
Contributions by scheme participants	4,000	4,000
Assets Interest Income	122,000	107,000
Actuarial gains/(losses)	68,000	(19,000)
Benefits paid	(42,000)	(69,000)
	<u>4,632,000</u>	<u>4,266,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2019

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.5.19	31.5.18
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	118,000	-
Actuarial (gains)/losses from changes in financial assumptions	(246,000)	218,000
Oblig other remeasurement	(45,000)	-
Actuarial gains/(losses)	68,000	(19,000)
	<u>(105,000)</u>	<u>199,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.5.19	31.5.18
Equities	22.10%	21.30%
Absolute return/ DGF	41.40%	41.00%
Bonds	8.90%	9.30%
Cash	1.80%	2.30%
Derivatives	21.00%	20.90%
Investment Funds	4.80%	5.20%
	<u>100.00%</u>	<u>100.00%</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.5.19	31.5.18
Discount rate	2.30%	2.80%
Future salary increases	4.10%	4.30%
Future pension increases	3.00%	3.20%
CARE revaluation	1.70%	1.80%
Deferred revaluation	2.10%	2.30%
Price Inflation (RPI)	3.10%	3.30%
Price Inflation (CPI)	2.10%	2.30%

Defined contribution scheme

The company operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £242,511 (2018: £240,597).

Contributions totalling £40,545 (2018 - £16,048) were payable to the scheme at the end of the year and are included in creditors.

18. ULTIMATE PARENT COMPANY

Centregreat Trade Ltd is regarded by the directors as being the company's ultimate parent company.

19. RELATED PARTY DISCLOSURES

Notes to the Financial Statements - continued
for the Year Ended 31 May 2019

19. **RELATED PARTY DISCLOSURES - continued**

Entities over which the entity has control, joint control or significant influence

	31.5.19	31.5.18
	£	£
Sales	4,417,546	6,605,490
Purchases	4,165,685	814,066
Transfers	624,945	195,405
Amount due from related party	3,864,607	3,875,364
Amount due to related party	99,806	15,958

During the year, costs were recharged and services invoiced at market value.

Amounts owed are payable on demand.

Key management personnel of the entity or its parent (in the aggregate)

	31.5.19	31.5.18
	£	£
Transfers	1,320	-
Amount due to related party	211,017	212,337

The director provides an interest-free loan to the company which is repayable on demand.

20. **ULTIMATE CONTROLLING PARTY**

The controlling party is Mr J C Mathias.

The ultimate controlling party is Centregreat Trade Ltd.