Company Registration No. 03607828 (England and Wales)

THE CONCRETE COMPANY (THORNEY) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

<u>COPY FOR SUBMISSION TO THE</u>
<u>REGISTRAR OF COMPANIES</u>

THE CONCRETE COMPANY (THORNEY) LIMITED

COMPANY INFORMATION

Director	Mr T E Dighton
Secretary	Mrs J Dighton
Company number	03607828
Registered office	Station Road Thorney Peterborough Cambridgeshire PE6 0QE
Auditor	Baldwins Audit Services Ruthlyn House 90 Lincoln Road Peterborough Cambridgeshire PE1 2SP
Business address	Station Road Thorney Peterborough Cambridgeshire PE6 0QE
Bankers	Barclays Bank PLC 1 Church Street Peterborough Cambridgeshire PE1 1XE

THE CONCRETE COMPANY (THORNEY) LIMITED

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THE CONCRETE COMPANY (THORNEY) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The director presents the strategic report and financial statements for the year ended 30 June 2018.

Fair review of the business
The company returned a net profit before interest and taxation of £187,325 (2017 - £223,570).

Principal risks and uncertainties
The performance of the company depends, in a large part, on varying conditions in the market of the geographical area it serves, in particular the construction industry, as well as fluctuations in the wider economy. The company's plants and operations are subject to increasingly stringent environmental and safety laws, and every effort is made to ensure compliance with all material aspects of these laws and regulations.

The company's principal financial instruments comprise of trade debtors and trade creditors. The main purpose of these instruments is to raise funds for and finance the company's operations.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The main key performance indicators used to monitor the performance of the business include:-

GP Margin
Debtors days
Stock turnover days

Development and performance
The position of the company at the year end is shown in the balance sheet.

On behalf of the board

....
Mr T E Dighton
Director
9/11/18

THE CONCRETE COMPANY (THORNEY) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The director presents his annual report and financial statements for the year ended 30 June 2018.

Principal activities
The principal activities of the company continued to be that of selling ready mixed concrete, material haulage and skip hire.

Director
The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr T E Dighton

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

An interim ordinary dividend was paid amounting to £79,173 (2017 - £66,092). The director does not recommend payment of a final dividend.

Future developments
The external environment is expected to remain competitive in the year ended 30 June 2019.

Auditor
As a result of Rawlinsons joining the Baldwins Group, the auditors of the company have changed from Rawlinsons to Baldwins Audit Services. In accordance with the company's articles, a resolution proposing that Baldwins Audit Services be reappointed as auditor of the company will be put at a General Meeting

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

....
Mr T E Dighton
Director
Date: 9/11/18

THE CONCRETE COMPANY (THORNEY) LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CONCRETE COMPANY (THORNEY) LIMITED

Opinion

We have audited the financial statements of The Concrete Company (Thorney) Limited (the 'company') for the year ended 30 June 2018 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 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 Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE CONCRETE COMPANY (THORNEY) 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 and the director's report.

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

- adequate accounting records have not been kept, 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

In preparing the financial statements, the director is 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 director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Mr Graham Jones BA FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

14/11/18

Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

THE CONCRETE COMPANY (THORNEY) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	2017 £
Turnover	3	8,929,590	9,805,043
Cost of sales		(7,808,798)	(8,601,781)
Gross profit		1,120,792	1,203,262
Administrative expenses		(928,455)	(985,881)
Other operating income		23,969	6,189
Operating profit	4	216,306	223,570
Interest receivable and similar income	7	27	39
Interest payable and similar expenses	8	(42,354)	(48,301)
Profit before taxation		173,979	175,308
Tax on profit	9	41,157	(77,423)
Profit for the financial year		215,136	97,885

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

THE CONCRETE COMPANY (THORNEY) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	£	£
Profit for the year	215,136	97,885
Other comprehensive income	-	-
Total comprehensive income for the year	215,136	97,885

THE CONCRETE COMPANY (THORNEY) LIMITED

BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	11		5,886,965		6,021,928
Current assets					
Stocks	13	164,079		144,340	
Debtors	14	1,172,619		1,244,565	
Cash at bank and in hand		98,178		132,665	
		1,434,876		1,521,570	
Creditors: amounts falling due within one year	15	(2,182,307)		(2,343,200)	
Net current liabilities			(747,431)		(821,630)
Total assets less current liabilities			5,139,534		5,200,298
Creditors: amounts falling due after more than one year	16		(556,832)		(751,052)
Provisions for liabilities	19		(312,382)		(314,889)
Net assets			4,270,320		4,134,357
Capital and reserves					
Called up share capital	22		10,000		10,000
Revaluation reserve			1,812,114		1,878,938
Profit and loss reserves			2,448,206		2,245,419
Total equity			4,270,320		4,134,357

The financial statements were approved and signed by the director and authorised for issue on 9/11/18

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Mr T E Dighton
Director

Company Registration No. 03607828

THE CONCRETE COMPANY (THORNEY) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Share capital	Revaluation reserve	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 July 2016		10,000	1,945,762	2,146,802	4,102,564
Year ended 30 June 2017:					
Profit and total comprehensive income for the year		-	-	97,885	97,885
Dividends	**10**	-	-	(66,092)	(66,092)
Transfers		-	(66,824)	66,824	-
Balance at 30 June 2017		10,000	1,878,938	2,245,419	4,134,357
Year ended 30 June 2018:					
Profit and total comprehensive income for the year		-	-	215,136	215,136
Dividends	**10**	-	-	(79,173)	(79,173)
Transfers		-	(66,824)	66,824	-
Balance at 30 June 2018		10,000	1,812,114	2,448,206	4,270,320

THE CONCRETE COMPANY (THORNEY) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities					
Cash generated from operations	**27**		476,116		858,228
Interest paid			(42,354)		(48,301)
Income taxes refunded/(paid)			3,545		(12,523)
Net cash inflow from operating activities			437,307		797,404
Investing activities					
Purchase of tangible fixed assets		(254,781)		(482,414)	
Proceeds on disposal of tangible fixed assets		168,618		33,764	
Interest received		27		39	
Net cash used in investing activities			(86,136)		(448,611)
Financing activities					
Repayment of borrowings		(54,729)		(53,357)	
Payment of finance leases obligations		(251,756)		(178,633)	
Dividends paid		(79,173)		(66,092)	
Net cash used in financing activities			(385,658)		(298,082)
Net (decrease)/increase in cash and cash equivalents			(34,487)		50,711
Cash and cash equivalents at beginning of year			132,665		81,954
Cash and cash equivalents at end of year			98,178		132,665

1 Accounting policies

Company information

The Concrete Company (Thorney) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Station Road, Thorney, Peterborough, Cambridgeshire, PE6 0QE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

1.4 Tangible fixed assets

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

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows. The change in depreciation rates results from a review of the expected lives of the company's fixed assets following the revaluation of the company's major assets. The revised rates are will represent a fairer spread of the cost of the assets over their expected useful lives.

Freehold land and buildings	Land: Nil, Buildings: straight line over 50 years
Leasehold property	Term of the lease
Plant and machinery	5% per annum
Fixtures, fittings and equipment	20% per annum
Motor vehicles	15% and 10% per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1 Accounting policies **(Continued)**

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

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

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

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

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

	2018	2017
	£	£
Turnover		
	8,929,590	9,805,043

Other significant revenue		
Interest income	27	39

Turnover analysed by geographical market

	2018	2017
	£	£
United Kingdom	8,929,590	9,805,043

4 Operating profit

	2018	2017
Operating profit for the year is stated after charging/(crediting):	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	5,500	5,500
Depreciation of owned tangible fixed assets	217,934	153,960
Depreciation of tangible fixed assets held under finance leases	111,625	152,089
Profit/(loss) on disposal of tangible fixed assets	(108,433)	16,366
Operating lease charges	17,990	16,880

5 Employees

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

	2018 Number	2017 Number
Management	1	1
Administration and sales	15	16
Drivers and yardmen	48	52
	64	69

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	1,780,272	1,919,053
Social security costs	183,445	193,244
Pension costs	15,383	15,631
	1,979,100	2,127,928

6 Director's remuneration

	2018 £	2017 £
Remuneration for qualifying services	11,500	8,500
Company pension contributions to defined contribution schemes	1,200	1,200
	12,700	9,700

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 1).

7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	27	39

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	27	39

8 Interest payable and similar expenses

	2018	2017
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	3,969	5,340
Interest on finance leases and hire purchase contracts	31,385	35,961
Other interest on financial liabilities	7,000	7,000
	42,354	48,301

9 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	-	35,105
Adjustments in respect of prior periods	(38,650)	-
Total current tax	(38,650)	35,105
Deferred tax		
Origination and reversal of timing differences	(2,507)	42,318
Total tax (credit)/charge	(41,157)	77,423

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

	2018	2017
	£	£
Profit before taxation	173,979	175,308
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	33,056	33,309
Tax effect of expenses that are not deductible in determining taxable profit	1,589	57
Tax effect of income not taxable in determining taxable profit	22,345	-
Tax effect of utilisation of tax losses not previously recognised	(29,815)	-
Adjustments in respect of prior years	(38,650)	-
Effect of change in corporation tax rate	-	3,923
Permanent capital allowances in excess of depreciation	(21,668)	(2,184)
Deferred tax movement	(8,014)	42,318
Taxation (credit)/charge for the year	(41,157)	77,423

10 Dividends

	2018	2017
	£	£
Interim paid	79,173	66,092

11 Tangible fixed assets

	Freehold land and buildings	Leasehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 July 2017	3,005,637	17,502	1,755,063	178,362	2,017,364	6,973,928
Additions	52,500	-	42,200	56,709	103,372	254,781
Disposals	(25,000)	-	(21,000)	-	(26,700)	(72,700)
At 30 June 2018	3,033,137	17,502	1,776,263	235,071	2,094,036	7,156,009
Depreciation and impairment						
At 1 July 2017	30,734	1,050	232,853	140,802	546,561	952,000
Depreciation charged in the year	13,346	350	89,018	20,231	206,614	329,559
Eliminated in respect of disposals	-	-	(3,650)	-	(8,865)	(12,515)
At 30 June 2018	44,080	1,400	318,221	161,033	744,310	1,269,044
Carrying amount						
At 30 June 2018	2,989,057	16,102	1,458,042	74,038	1,349,726	5,886,965
At 30 June 2017	2,974,903	16,452	1,522,210	37,560	1,470,803	6,021,928

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2018	2017
	£	£
Plant and machinery	306,713	445,778
Motor vehicles	695,787	937,780
	1,002,500	1,383,558
Depreciation charge for the year in respect of leased assets	111,625	152,089

11 Tangible fixed assets (Continued)

The freehold and leasehold land and buildings were valued on an open market basis by a firm of independent Chartered Surveyors, A. J. Brooker MRICS Chartered Surveyor, on a market value and existing use basis as at 30 June 2015.

The plant and machinery was valued by the director on a market value basis. The fleet vehicles were valued by the company's principal vehicle supplier, Truckeast, on an open market basis as at 30 June 2015.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2018	2017
	£	£
Cost	8,647,746	8,522,374
Accumulated depreciation	5,563,881	5,044,418
Carrying value	3,083,865	3,477,956

12 Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at cost		
Trade debtors	1,120,436	1,203,664
Bank and cash	98,178	132,665
Measured at cost	1,218,614	1,336,329
Carrying amount of financial liabilities		
Trade creditors	1,549,094	1,545,436
Obligations under hire purchase	395,366	647,122
Bank loans	115,347	170,076
Measured at cost	2,059,807	2,362,634

13 Stocks

	2018	2017
	£	£
Raw materials and consumables	164,079	144,340

14 Debtors

Amounts falling due within one year:	2018 £	2017 £
Trade debtors	1,120,436	1,203,664
Other debtors	-	417
Prepayments and accrued income	52,183	40,484
	1,172,619	1,244,565

15 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Obligations under hire purchase	18	251,184	363,449
Bank loans	17	52,697	52,697
Trade creditors		1,549,094	1,545,436
Corporation tax		-	35,105
Other taxation and social security		164,009	187,999
Other creditors		143,690	132,375
Accruals and deferred income		21,633	26,139
		2,182,307	2,343,200

16 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under hire purchase	18	144,182	283,673
Bank loans	17	62,650	117,379
Director's loan		350,000	350,000
		556,832	751,052

The director's loan is unsecured. Interest is charged on this loan at 2% per annum.

The other loans are secured by a fixed and floating charge over three of the company's freehold properties.

Obligations under finance leases and hire purchase contracts are secured on motor vehicles.

17 Loans and overdrafts

	2018	2017
	£	£
Other loans	115,347	170,076
Payable within one year	52,697	52,697
Payable after one year	62,650	117,379

The loan of £24,062 from Yorkshire Bank is secured by a fixed and floating charge over two of the properties.

The loan of £91,286 from Barclays Bank PLC is secured by a fixed charge over one of the properties.

Details of the bank loans are as follows:
- Term of ten years commencing September 2009. Monthly repayments are £2,066 including interest.
- Term of five years commencing April 2016. Monthly repayments are £2,805 including interest.

18 Hire purchase obligations

	2018	2017
Future minimum payments due under hire purchase:	£	£
Within one year	251,184	363,449
In two to five years	144,182	283,673
	395,366	647,122

Hire purchase payments represent rentals payable by the company for certain items of plant and machinery and motor vehicles. Hire purchase include purchase options at the end of the hire purchase period, and no restrictions are placed on the use of the assets. The average term is 3 years. All hire purchase is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Provisions for liabilities

		2018	2017
	Notes	£	£
Deferred tax liabilities	20	312,382	314,889

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018	Liabilities 2017
Balances:	**£**	**£**
Deferred tax liability	312,382	314,889

	2018
Movements in the year:	**£**
Liability at 1 July 2017	314,889
Credit to profit or loss	(2,507)
Liability at 30 June 2018	312,382

The deferred tax liability set out above is expected to reverse in the future and relates to accelerated capital allowances that are expected to mature within the same period.

21 Retirement benefit schemes

	2018	2017
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	15,383	15,631

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

22 Share capital

	2018	2017
	£	**£**
Ordinary share capital		
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Issued and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Within one year	6,300	6,300
Between two and five years	5,775	12,075
	12,075	18,375

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018	2017
	£	£
Aggregate compensation	11,500	8,500

Transactions with related parties

Included in debtors at the year end is an amount of £3,036 (2017 - £3,744) due from M K Andrews Concrete Pumping Limited, a company in which Mr T E Dighton is a director. During the year there were sales amounting to £8,673 (2017 - £9,735) to this company and purchases of £4,015 (2017 - £7,735). Included in creditors at the year end is an amount of £816 (2017 - £552).

Also included in debtors at the year end is an amount of £14,882 (2017 - £11,922) due from Floorspan Contracts Limited, a company in which Mr T E Dighton's brother is director. During the year there were sales of £87,414 (2017 - £73,686) and purchases of £nil (2017 - £nil).

All related party transactions have been made on normal commercial terms.

25 Directors' transactions

Dividends totalling £40,378 (2017 - £55,757) were paid in the year in respect of shares held by the company's director.

The director owns one and a half of the fifteen depots from which the company operated during the year. The company operated from these premises rent free.

Included in other creditors due within one year is £15,065 (2017 - £5,744) due to the director, Mr T E Dighton. This is repayable on demand and is interest free.

Included in other borrowings due after more than one year is £350,000 (2017 - £350,000) due to the director, Mr T E Dighton. Interest is charged at 2% per annum on this loan.

26 Controlling party

The company is under the control of Mr T E Dighton who owns 51% of the issued shares.

27 Cash generated from operations

	2018	2017
	£	£
Profit for the year after tax	215,136	97,885
Adjustments for:		
Taxation (credited)/charged	(41,157)	77,423
Finance costs	42,354	48,301
Investment income	(27)	(39)
(Gain)/loss on disposal of tangible fixed assets	(108,433)	16,366
Depreciation and impairment of tangible fixed assets	329,559	306,049
Movements in working capital:		
(Increase) in stocks	(19,739)	(12,712)
Decrease in debtors	71,946	85,935
(Decrease)/increase in creditors	(13,523)	239,020
Cash generated from operations	476,116	858,228