

Registered number: 06435791

ALBORO HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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ALBORO HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

M E Davenport
R L Davenport

COMPANY SECRETARY

A Boutwood

REGISTERED NUMBER

06435791

REGISTERED OFFICE

Alboro Developments Ltd
Ely Road
Waterbeach
Cambridge
CB25 9PG

INDEPENDENT AUDITORS

Price Bailey LLP
Chartered Accountants & Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

BANKERS

Lloyds TSB Bank plc
95-97 Regent Street
Gonville Place
Cambridge
CB2 1BQ

ALBORO HOLDINGS LIMITED

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ALBORO HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

INTRODUCTION

The principal activity of the company is that of a holding company to subsidiaries who are involved in the supply of sand, gravel and recycled materials and property investment.

BUSINESS REVIEW

Frimstone Limited

2017 has seen a further growth in business turnover as the manufacture of Refuse Derived Fuel (RDF) under contract to Norfolk County Council continued for a full year. This contract has met the company's strategy of diversification from its 'aggregate' only business.

Highlights during the year saw us extend our capability in and around Cambridge with additional sales from the new rail head at Chesterton and the opening of our 'New' Quarry in Cambridge, which has enabled a significant growth in sales.

We have continued to expand our customer base and had the additional benefit of supplying large volumes to Volkerfitzpatrick on the Ely Bypass which will end in the spring of 2018.

Our position in Cambridge will enable us to participate in supplying the new A14 Cambridge to Huntingdon infrastructure scheme which will run until December 2020.

The reservoir contract near Briston is running to plan and will be completed by December 2019. We also moved in to the new reserve at Watlington Quarry, near Kings Lynn which required us to relocate a mile of conveyor belt and engineer a culvert underneath Watlington Road to gain access. Additional reserves were also secured at Worlington Quarry near Bury St Edmunds which extends the life by a further 2-3 years.

Capital expenditure in the year totalled over £1.3 million helping to expand the business for the 4th year running. 2018 will deliver the majority of the expansion strategy from the investment pipeline drawn up in 2012. However, the future expansion of our Mayton Wood Quarry has been deferred to 2019/20 at the earliest.

The company continues to be a major independent quarry, waste and recycling business within the Eastern Region with future revenues set to increase as we continue to expand steadily to a position at which profit generation will accelerate.

With another successful year the group had been looking at long term plans for Frimstone Limited. Since 30 September 2017 the group completed a sale of Frimstone Limited to a third party to secure the long term future of the company.

Alboro Developments Limited

The company trades as an investment property company with assets used by both third parties and other group companies.

The company reported a profit before tax and before fair value adjustments on investment property and amortised cost adjustments on group loans.

Blakeney Garage Limited

The company trades as a forecourt garage services company.

The company reported a profit before tax.

ALBORO HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

PRINCIPAL RISKS AND UNCERTAINTIES

Proposed changes in government legislation relating to aggregate levy exemptions and waste permitting may have an influence particularly in relation to our sales of clay and infill operations, however the board believe that any increases in cost will be passed on in full to our customers and therefore little risk is anticipated.

Other risks around BREXIT and exchange rate fluctuations are constantly monitored but it is currently too early to quantify any financial exposure.

FINANCIAL KEY PERFORMANCE INDICATORS

The group produces monthly management accounts within which the financial key performance indicators monitored are EBIT and turnover per employee both of which have improved on 2016.

Other key performance indicators cover the entire business and include such items as quarry production and output, staff absence, age of debt and vehicle fuel consumption. These are regularly monitored by the group and reviewed on a monthly basis with any action or change taken by management if appropriate.

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



M E Davenport
Director

Date:

3rd July 2018

ALBORO HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £818,955 (2016 - £501,112).

No dividends were paid during the year and the directors do not propose a final dividend.

DIRECTORS

The directors who served during the year were:

M E Davenport
R L Davenport

FUTURE DEVELOPMENTS

The directors anticipate no significant changes in the company's activities in the foreseeable future. There have been no events since the end of the year requiring comment by the directors.

POST BALANCE SHEET EVENTS

Since the year end the subsidiary, Frimstone Limited, has been acquired by a 3rd party.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Group's financial statements 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 to 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.

ALBORO HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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 the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the 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.

AUDITORS

Under section 487(2) of the Companies Act 2006, Price Bailey LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



A Boutwood
Secretary

Date: 03/07/18

ALBORO HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALBORO HOLDINGS LIMITED

OPINION

We have audited the financial statements of Alboro Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2017, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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 Group's and of the parent Company's affairs as at 30 September 2017 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.

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

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 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.

CONCLUSIONS RELATING TO GOING CONCERN

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

ALBORO HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALBORO HOLDINGS LIMITED (CONTINUED)

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.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

ALBORO HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALBORO HOLDINGS LIMITED (CONTINUED)

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 an Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Martin Clapson FCA (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date:

20th July 2018

ALBORO HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	22,557,382	15,333,016
Cost of sales		(18,276,464)	(12,401,136)
GROSS PROFIT		4,280,918	2,931,880
Administrative expenses		(3,524,311)	(1,530,887)
Other operating income	5	561,593	288,040
Fair value movements		-	(770,486)
OPERATING PROFIT	6	1,318,200	918,547
Interest receivable and similar income	9	2,138	9,257
Interest payable and expenses	10	(272,565)	(269,094)
PROFIT BEFORE TAXATION		1,047,773	658,710
Tax on profit	11	(228,818)	(157,598)
PROFIT FOR THE FINANCIAL YEAR		818,955	501,112
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent Company		818,955	501,112

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of comprehensive income

There was no other comprehensive income for 2017 (2016: £NIL)

The notes on pages 15 to 38 form part of these financial statements.

ALBORO HOLDINGS LIMITED
REGISTERED NUMBER: 06435791

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Intangible assets	13	(1,059,746)	(1,674,568)
Tangible assets	14	10,099,306	10,419,147
Investment property	16	7,352,012	7,244,723
		<u>16,391,572</u>	<u>15,989,302</u>
CURRENT ASSETS			
Stocks	17	1,048,578	1,069,211
Debtors: amounts falling due after more than one year	18	-	186,837
Debtors: amounts falling due within one year	18	4,413,540	4,563,373
Cash at bank and in hand	19	112,478	68,374
		<u>5,574,596</u>	<u>5,887,795</u>
Creditors: amounts falling due within one year	20	(5,541,634)	(6,394,306)
NET CURRENT ASSETS/(LIABILITIES)		32,962	(506,511)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,424,534</u>	<u>15,482,791</u>
Creditors: amounts falling due after more than one year	21	(7,652,410)	(7,723,766)
PROVISIONS FOR LIABILITIES			
Deferred taxation	25	(264,509)	(298,192)
Other provisions	26	(418,379)	(356,157)
		<u>(682,888)</u>	<u>(654,349)</u>
NET ASSETS		<u><u>8,089,236</u></u>	<u><u>7,104,676</u></u>

ALBORO HOLDINGS LIMITED
REGISTERED NUMBER: 06435791

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2017

	Note	2017 £	2016 £
CAPITAL AND RESERVES			
Called up share capital	27	100	100
Revaluation reserve	28	(687,295)	(624,072)
Investment property reserve	28	(832,046)	(832,046)
Other reserves	28	165,605	131,741
Profit and loss account	28	9,442,872	8,428,953
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		<u>8,089,236</u>	<u>7,104,676</u>

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



M E Davenport
Director

Date:

3rd July 2018

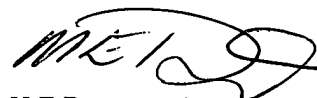
The notes on pages 18 to 40 form part of these financial statements.

ALBORO HOLDINGS LIMITED
REGISTERED NUMBER: 06435791

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Investments	15	759,055	530,126
		<u>759,055</u>	<u>530,126</u>
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	18	6,067,728	5,451,225
Debtors: amounts falling due within one year	18	115,089	53,884
Cash at bank and in hand	19	10,726	17,925
		<u>6,193,543</u>	<u>5,523,034</u>
Creditors: amounts falling due within one year	20	(592)	(7,593)
NET CURRENT ASSETS		<u>6,192,951</u>	<u>5,515,441</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,952,006</u>	<u>6,045,567</u>
Creditors: amounts falling due after more than one year	21	(6,345,354)	(5,594,218)
NET ASSETS		<u><u>606,652</u></u>	<u><u>451,349</u></u>
CAPITAL AND RESERVES			
Called up share capital	27	100	100
Other reserves	28	165,605	131,741
Profit and loss account	28	440,947	319,508
		<u>606,652</u>	<u>451,349</u>

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



M E Davenport
Director

The notes on pages 18 to 40 form part of these financial statements.

ALBORO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Called up share capital	Revaluat'n reserve	Investment property revaluation reserve	Capital contribut'n reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 October 2016	100	(624,072)	(832,046)	131,741	8,428,953	7,104,676
Profit for the year	-	-	-	-	818,955	818,955
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	818,955	818,955
Capital contribution	-	-	-	165,605	-	165,605
Transfers between reserves	-	(63,223)	-	(131,741)	194,964	-
TOTAL TRANSACTIONS WITH OWNERS	-	(63,223)	-	33,864	194,964	165,605
AT 30 SEPTEMBER 2017	<u>100</u>	<u>(687,295)</u>	<u>(832,046)</u>	<u>165,605</u>	<u>9,442,872</u>	<u>8,089,236</u>

The notes on pages 18 to 40 form part of these financial statements.

ALBORO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Called up share capital	Revaluat'n reserve	Investment property revaluation reserve	Capital contribut'n reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 October 2015	100	(457,880)	(61,200)	129,997	6,860,806	6,471,823
Profit for the year	-	-	-	-	501,112	501,112
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	501,112	501,112
Capital contribution	-	-	-	131,741	-	131,741
Transfers between reserves	-	(166,192)	(770,846)	(129,997)	1,067,035	-
TOTAL TRANSACTIONS WITH OWNERS	-	(166,192)	(770,846)	1,744	1,067,035	131,741
AT 30 SEPTEMBER 2016	100	(624,072)	(832,046)	131,741	8,428,953	7,104,676

The notes on pages 18 to 40 form part of these financial statements.

ALBORO HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Called up share capital	Capital contribut'n reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2016	100	131,741	319,508	451,349
Loss for the year	-	-	(10,302)	(10,302)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	(10,302)	(10,302)
Capital contribution	-	165,605	-	165,605
Transfers between reserves	-	(131,741)	131,741	-
TOTAL TRANSACTIONS WITH OWNERS	-	33,864	131,741	165,605
AT 30 SEPTEMBER 2017	100	165,605	440,947	606,652

The notes on pages 18 to 40 form part of these financial statements.

ALBORO HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Called up share capital	Capital contribut'n reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2015	100	129,997	200,146	330,243
Loss for the year	-	-	(10,635)	(10,635)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	(10,635)	(10,635)
Capital contribution	-	131,741	-	131,741
Transfers between reserves	-	(129,997)	129,997	-
TOTAL TRANSACTIONS WITH OWNERS	-	1,744	129,997	131,741
AT 30 SEPTEMBER 2016	100	131,741	319,508	451,349

The notes on pages 18 to 40 form part of these financial statements.

ALBORO HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	818,955	501,112
ADJUSTMENTS FOR:		
Amortisation of intangible assets	(544,364)	(1,050,837)
Depreciation of tangible assets	1,522,765	1,275,537
Loss / (profit) on disposal of tangible assets	8,068	(341,900)
Interest paid	272,565	269,094
Interest received	(2,138)	(9,257)
Taxation charge	228,818	157,598
Decrease/(increase) in stocks	38,775	(276,335)
Decrease/(increase) in debtors	366,657	(1,798,426)
(Decrease)/increase in creditors	(90,173)	1,693,697
Increase in provisions	60,907	85,697
Corporation tax (paid)	(100,706)	(25,962)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>2,580,129</u>	<u>480,018</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of subsidiary undertakings	(70,458)	-
Purchase of tangible fixed assets	(1,260,602)	(2,962,011)
Sale of tangible fixed assets	61,824	720,485
Purchase of investment properties	(107,289)	(837,003)
Interest received	2,138	9,257
HP interest paid	(103,603)	(95,573)
Fair value adjustment on investment properties	-	770,486
Cash obtained on acquisition	93,006	-
NET CASH FROM INVESTING ACTIVITIES	<u>(1,384,984)</u>	<u>(2,394,359)</u>

ALBORO HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	2017 £	2016 £
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans	(98,674)	(92,870)
Other new loans	785,000	613,256
Net (repayment of) / new finance leases	(900,271)	653,350
Interest paid	(37,221)	(41,780)
NET CASH USED IN FINANCING ACTIVITIES	<u>(251,166)</u>	<u>1,131,956</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	943,979	(782,385)
Cash and cash equivalents at beginning of year	<u>(1,104,761)</u>	<u>(322,376)</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u><u>(160,782)</u></u>	<u><u>(1,104,761)</u></u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	112,478	68,374
Bank overdrafts	<u>(273,260)</u>	<u>(1,173,135)</u>
	<u><u>(160,782)</u></u>	<u><u>(1,104,761)</u></u>

The notes on pages 18 to 40 form part of these financial statements.

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. GENERAL INFORMATION

Alboro Holdings Limited is a private limited company limited by shares, incorporated in England and Wales. The registered office is Ashcraft Farm, Main Road, Crimplesham, Kings Lynn, Norfolk, PE33 9EB.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional and presentational currency of the financial statements is GBP being the primary currency in which the group operates. The financial statements are rounded to the nearest GBP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 October 2014.

2.3 GOING CONCERN

The group meets its day to day working capital requirements through an overdraft facility and formal borrowing from the Directors which is repayable in more than one year.

The directors consider that the group will continue to operate within these facilities.

On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.4 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 INTANGIBLE ASSETS

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life.

Amortisation is provided at the following rates:

- Goodwill - 5 & 10 years

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.6 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or deemed cost less accumulated depreciation and any accumulated impairment losses.

The group has taken advantage of the exemption in FRS 102 to include land and buildings purchased prior to 1 October 2014, which were included in its financial statements under previous UK GAAP at their market value on that date, at a deemed cost equal to that value.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using either the straight-line method or the reducing balance method.

The assets residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting period.

Depreciation is provided on the following basis:

Freehold buildings	-	evenly over 50 years
Freehold mineral-bearing land	-	in proportion to the volumes extracted
Short term leasehold property	-	evenly over the lease
Plant and machinery	-	17.5% per annum on the reducing balance
Motor vehicles	-	25% per annum on the reducing balance
Fixtures and fittings	-	17.5% - 25% per annum on the reducing balance

Land which is not mineral-bearing and which is not used directly for waste disposal is not depreciated.

2.7 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

2.8 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.9 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Cost comprises the average cost of purchase and, in the case of mineral stocks, the average cost of extraction and transportation to stockholding sites.

Work in progress represents work undertaken on raw materials for which formal legal title has not passed. This is valued at the lower of cost and net realisable value.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.10 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 FINANCIAL INSTRUMENTS

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

2.13 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 HOLIDAY PAY ACCRUAL

A liability is recognised to the extent of any unused holiday pay entitlement which is 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.

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.15 FINANCE COSTS

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 OPERATING LEASES: THE GROUP AS LESSEE

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.17 LEASED ASSETS: THE GROUP AS LESSEE

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

2.18 PENSIONS

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.19 INTEREST INCOME

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.20 BORROWING COSTS

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.21 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.22 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.23 EXPLORATION AND EVALUATION EXPENDITURE

Exploration, evaluation and other expenditure regarding potential mineral extraction sites is included under debtors as deferred expenditure whilst it is considered reasonably probable that it will be of benefit to the company. The expenditure is then capitalised within fixed assets upon completion of agreements to acquire or lease the rights to mineral assets involved.

2.24 RESTORATION COSTS

The company provides fully for the anticipated closure costs in respect of operational aggregate extraction or disposal sites.

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

Management consider key areas of estimation uncertainty are:

- Fixed asset lives and residual values and depreciation periods
- Impairment of receivables
- Stock valuation

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Sale of goods	16,050,513	7,608,880
Rendering of services	6,506,869	7,724,136
	<u>22,557,382</u>	<u>15,333,016</u>

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2017 £	2016 £
Net rents receivable	412,502	286,024
Sundry income	149,091	2,016
	<u>561,593</u>	<u>288,040</u>

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

6. OPERATING PROFIT

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	1,522,765	1,275,537
Amortisation of intangible assets, including goodwill	(544,364)	(1,050,837)
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	17,725	18,750
Other operating lease rentals	2,244,851	1,350,035
Defined contribution pension cost	156,499	143,055
	<u>1,396,416</u>	<u>(564,324)</u>

Auditors' fees for the company were £3,250 (2016 - £3,250).

7. EMPLOYEES

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	3,265,308	2,941,350	-	-
Social security costs	338,946	320,944	-	-
Cost of defined contribution scheme	156,499	143,055	-	-
	<u>3,760,753</u>	<u>3,405,349</u>	<u>-</u>	<u>-</u>

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

	2017 No.	2016 No.
Management and office	26	27
Other	79	71
	<u>105</u>	<u>98</u>

8. DIRECTORS' REMUNERATION

During the year the group paid emoluments of £66,098 (2016: £74,228) and paid contributions to defined benefit contribution pension schemes of £10,020 (2016: £13,722) to directors of the parent company.

During the year retirement benefits were accruing to 2 directors (2016 - 2) in respect of defined contribution pension schemes.

ALBORO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

9. INTEREST RECEIVABLE

	2017 £	2016 £
Other interest receivable	2,138	9,257
	<u>2,138</u>	<u>9,257</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £	2016 £
Bank interest payable	37,221	43,524
Other loan interest payable	131,741	129,997
Finance leases and hire purchase contracts	103,603	95,573
	<u>272,565</u>	<u>269,094</u>

11. TAXATION

	2017 £	2016 £
CORPORATION TAX		
Current tax on profits for the year	263,433	110,034
	<u>263,433</u>	<u>110,034</u>
DEFERRED TAX		
Origination and reversal of timing differences	(34,615)	47,564
	<u>(34,615)</u>	<u>47,564</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>228,818</u>	<u>157,598</u>

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

11. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.5% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	1,047,773	658,710
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2016 - 20%)	204,316	131,742
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	(106,151)	(210,167)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	40,466	182,388
Capital allowances for year in excess of depreciation	106,310	30,287
Utilisation of tax losses	(16,123)	(49,627)
Capital gains	-	72,975
TOTAL TAX CHARGE FOR THE YEAR	228,818	157,598

12. PARENT COMPANY PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £10,302 (2016 - loss £10,635).

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

13. INTANGIBLE ASSETS

Group

	Goodwill £	Negative goodwill £	Total £
COST			
At 1 October 2016	158,142	(10,017,925)	(9,859,783)
Additions	70,458	-	70,458
At 30 September 2017	<u>228,600</u>	<u>(10,017,925)</u>	<u>(9,789,325)</u>
AMORTISATION			
At 1 October 2016	158,142	(8,343,357)	(8,185,215)
Charge for the year	10,569	(554,933)	(544,364)
At 30 September 2017	<u>168,711</u>	<u>(8,898,290)</u>	<u>(8,729,579)</u>
NET BOOK VALUE			
At 30 September 2017	<u>59,889</u>	<u>(1,119,635)</u>	<u>(1,059,746)</u>
At 30 September 2016	<u>-</u>	<u>(1,674,568)</u>	<u>(1,674,568)</u>

ALBORO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

14. TANGIBLE FIXED ASSETS

Group

	Land and buildings £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
COST OR VALUATION					
At 1 October 2016	6,462,916	5,259,417	2,194,928	142,486	14,059,747
Additions	1,059,645	200,756	200	-	1,260,601
Acquisition of subsidiary	-	12,214	-	-	12,214
Disposals	-	(175,982)	(90,332)	(1,295)	(267,609)
At 30 September 2017	<u>7,522,561</u>	<u>5,296,405</u>	<u>2,104,796</u>	<u>141,191</u>	<u>15,064,953</u>
DEPRECIATION					
At 1 October 2016	1,069,634	1,439,255	1,000,804	130,906	3,640,599
Charge for the year on owned assets	505,134	217,436	76,229	7,211	806,010
Charge for the year on financed assets	-	522,795	193,960	-	716,755
Disposals	-	(115,882)	(80,920)	(915)	(197,717)
At 30 September 2017	<u>1,574,768</u>	<u>2,063,604</u>	<u>1,190,073</u>	<u>137,202</u>	<u>4,965,647</u>
NET BOOK VALUE					
At 30 September 2017	<u>5,947,793</u>	<u>3,232,801</u>	<u>914,723</u>	<u>3,989</u>	<u>10,099,306</u>
At 30 September 2016	<u>5,393,281</u>	<u>3,820,162</u>	<u>1,194,124</u>	<u>11,580</u>	<u>10,419,147</u>

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

	2017 £	2016 £
Plant and machinery	1,898,887	2,797,473
Motor vehicles	559,662	830,097
	<u>2,458,549</u>	<u>3,627,570</u>

ALBORO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

14. TANGIBLE FIXED ASSETS (continued)

The net book value of land and buildings included above are as follows:

	2017 £	2016 £
Depreciable freehold land and buildings	1,947,657	1,521,075
Non-depreciable freehold land	2,312,821	2,312,821
Short term leasehold land and buildings	1,687,315	1,559,385
	<u>5,947,793</u>	<u>5,393,281</u>

Freehold and leasehold properties are included above at their deemed cost upon the Company's transition to FRS102 on 1 October 2014 with subsequent additions recorded at cost.

Depending on the nature of the specific asset they have been valued on a basis of market value; existing use or discounted replacement cost basis.

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

	2017 £	2016 £
Cost	7,651,455	6,591,810
Accumulated depreciation	(2,205,615)	(1,763,705)
NET BOOK VALUE	<u>5,445,840</u>	<u>4,828,105</u>

ALBORO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

15. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £
COST	
At 1 October 2016	530,126
Additions	228,929
At 30 September 2017	<u>759,055</u>
NET BOOK VALUE	
At 30 September 2017	<u>759,055</u>
At 30 September 2016	<u>530,126</u>

Further details regarding the company's subsidiaries can be found within note 35.

16. INVESTMENT PROPERTY

Group

	Freehold investment property £	Property under construction £	Total £
VALUATION			
At 1 October 2016	7,068,482	176,241	7,244,723
Additions at cost	107,289	-	107,289
Transfers between classes	176,241	(176,241)	-
AT 30 SEPTEMBER 2017	<u>7,352,012</u>	<u>-</u>	<u>7,352,012</u>

The 2017 valuations were made by the Directors, on a fair value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2017 £	2016 £
Historic cost	<u>8,122,520</u>	<u>8,076,209</u>

ALBORO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

17. STOCKS

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Consumables	77,365	53,013	-	-
Finished goods and goods for resale	971,213	1,016,198	-	-
	<u>1,048,578</u>	<u>1,069,211</u>	<u>-</u>	<u>-</u>

18. DEBTORS

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
DUE AFTER MORE THAN ONE YEAR				
Amounts owed by group undertakings	-	-	6,067,728	5,451,225
Prepayments and accrued income	-	186,837	-	-
	<u>-</u>	<u>186,837</u>	<u>6,067,728</u>	<u>5,451,225</u>

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
DUE WITHIN ONE YEAR				
Trade debtors	3,639,902	3,110,097	-	-
Amounts owed by group undertakings	-	-	100,806	53,701
Other debtors	54,266	698,557	8,000	-
Prepayments and accrued income	719,372	754,719	6,283	183
	<u>4,413,540</u>	<u>4,563,373</u>	<u>115,089</u>	<u>53,884</u>

19. CASH AND CASH EQUIVALENTS

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	112,478	68,374	10,726	17,925
Less: bank overdrafts	(273,260)	(1,173,135)	-	-
	<u>(160,782)</u>	<u>(1,104,761)</u>	<u>10,726</u>	<u>17,925</u>

ALBORO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

20. CREDITORS: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank overdrafts	273,260	1,173,135	-	-
Bank loans	100,000	100,000	-	-
Trade creditors	1,717,140	2,629,817	-	-
Amounts owed to group undertakings	-	-	592	4,593
Corporation tax	272,761	110,034	-	-
Other taxation and social security	1,247,755	767,978	-	-
Obligations under finance lease and hire purchase contracts	772,754	949,207	-	-
Other creditors	23,120	33,785	-	-
Accruals and deferred income	1,134,844	630,350	-	3,000
	<u>5,541,634</u>	<u>6,394,306</u>	<u>592</u>	<u>7,593</u>

21. CREDITORS: Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank loans	141,789	240,463	-	-
Other loans	6,345,354	5,594,218	6,345,354	5,594,218
Net obligations under finance leases and hire purchase contracts	1,165,267	1,889,085	-	-
	<u>7,652,410</u>	<u>7,723,766</u>	<u>6,345,354</u>	<u>5,594,218</u>

The aggregate amount of creditors in the group's balance sheet as at 30 September 2017 in respect of which security has been given by the company is £8,798,424 (2016 - £9,946,108).

The obligations under bank loans and overdrafts of £515,049 (2016 - £1,513,598) are secured by fixed and floating charges over the assets of the group.

The obligations under finance leases and hire purchase contracts of £1,938,021 (2016 - £2,838,292) are secured over the assets to which they relate.

The other loans, being sums due to shareholders, of £6,345,354 (2016 - £5,594,218) are secured over specific assets of the group.

ALBORO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

22. LOANS

Analysis of the maturity of loans is given below:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
AMOUNTS FALLING DUE WITHIN ONE YEAR				
Bank loans	100,000	100,000	-	-
	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
AMOUNTS FALLING DUE 1-2 YEARS				
Bank loans	141,789	100,000	-	-
Other loans	6,345,354	5,594,218	6,345,354	5,594,218
	<u>6,487,143</u>	<u>5,694,218</u>	<u>6,345,354</u>	<u>5,594,218</u>
AMOUNTS FALLING DUE 2-5 YEARS				
Bank loans	-	140,463	-	-
	<u>-</u>	<u>140,463</u>	<u>-</u>	<u>-</u>
	<u>6,587,143</u>	<u>5,934,681</u>	<u>6,345,354</u>	<u>5,594,218</u>

23. HIRE PURCHASE AND FINANCE LEASES

Total future minimum finance lease payments are as follows:

	2017 £	2016 £
Within one year	856,533	1,054,528
Between 1-2 years	746,509	830,668
Between 2 - 5 years	541,791	1,260,792
	<u>2,144,802</u>	<u>3,145,988</u>
Less: future finance charges	(206,781)	(307,696)
	<u>1,938,021</u>	<u>2,838,292</u>

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

24. FINANCIAL INSTRUMENTS

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
FINANCIAL ASSETS				
Financial assets measured at fair value through profit or loss	112,478	68,374	10,726	17,925
Financial assets that are debt instruments measured at amortised cost	3,694,169	3,808,654	6,176,534	5,504,926
	<u>3,806,647</u>	<u>3,877,028</u>	<u>6,187,260</u>	<u>5,522,851</u>
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost	(11,673,528)	(10,367,983)	(6,345,946)	(5,601,810)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank overdrafts, bank loans, other loans, trade creditors, amounts owed to group undertakings, obligations under finance lease and hire purchase contracts, other creditors and accruals.

25. DEFERRED TAXATION

Group

	2017 £	2016 £
At beginning of year	(298,192)	(250,628)
Charged to profit or loss	(14,149)	-
Utilised in year	47,832	(47,564)
AT END OF YEAR	<u>(264,509)</u>	<u>(298,192)</u>

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

25. DEFERRED TAXATION (CONTINUED)

AT END OF YEAR

The provision for deferred taxation is made up as follows:

	Group 2017 £	Group 2016 £
Accelerated capital allowances	264,509	314,728
Tax losses carried forward	-	(16,536)
	<u>264,509</u>	<u>298,192</u>

26. PROVISIONS

Group

	Restoration provisions £
At 1 October 2016	356,157
Charged to profit or loss	62,222
AT 30 SEPTEMBER 2017	<u><u>418,379</u></u>

Restoration Provisions

The group provides fully for the anticipated closure costs in respect of operational aggregate extraction of disposal sites.

The Company has no provisions.

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

27. SHARE CAPITAL

	2017 £	2016 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

28. RESERVES

Revaluation reserve

The revaluation reserve represents the cumulative effect of revaluations of tangible fixed assets where a previous policy of revaluation has been adopted.

Investment property revaluation reserve

The investment revaluation reserve represents the cumulative effect of revaluations of investment properties where a previous policy of revaluation has been adopted.

Capital contribution reserve

The capital contribution reserve represents the present value of the future payments discounted at the market rate of interest on amounts owed to the parent.

Profit & loss account

The profit and loss account represents cumulative profits and losses.

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

29. BUSINESS COMBINATIONS

Acquisition of Blakeney Garage Limited on 1 December 2016.

	Book value £	Fair value £
Tangible	12,214	12,214
	<u>12,214</u>	<u>12,214</u>
Stocks	18,142	18,142
Debtors	29,987	29,987
Cash at bank and in hand	93,006	93,006
TOTAL ASSETS	<u>153,349</u>	<u>153,349</u>
Due within one year	(151,102)	(151,102)
Deferred tax on differences between fair value and tax bases	(2,146)	(2,146)
FAIR VALUE OF NET ASSETS	<u>101</u>	<u>101</u>
TOTAL PURCHASE CONSIDERATION	<u>101</u>	<u>101</u>
Purchase consideration settled in cash, as above	70,438	70,438
Cash and cash equivalents in subsidiary acquired	(93,006)	(93,006)
CASH OUTFLOW ON ACQUISITION	<u>(22,568)</u>	<u>(22,568)</u>

The results of Blakeney Garage Limited on 1 December 2016, since its acquisition are as follows:

	Current period since acquisition £
Turnover	861,217
Profit for the year	<u>4,275</u>

30. PENSION COMMITMENTS

The group contributes to a Group Personal Pension Scheme. The assets of the scheme are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the fund and amounted to £156,499 (2016 - £143,055). Contributions of £17,742 (2016 - £33,785) were due to the fund at the year end.

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

31. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £
LAND AND BUILDINGS		
Not later than 1 year	121,797	121,797
Later than 1 year and not later than 5 years	124,155	204,567
Later than 5 years	275,900	317,285
	<u>521,852</u>	<u>643,649</u>
	Group 2017 £	Group 2016 £
OTHER		
Not later than 1 year	214,068	156,600
Later than 1 year and not later than 5 years	510,095	421,399
Later than 5 years	-	76,390
	<u>724,163</u>	<u>654,389</u>

Option fees

The company has options regarding mineral sites which involves annual option fees of £12,500 (2016 - £12,500). The options are due to expire within the next two to five years.

32. RELATED PARTY TRANSACTIONS

During the year the company received loans of £785,000 (2016 - £615,000) from M E and R L Davenport, Directors of the company. An amortised cost adjustment of £165,605 (2016 - £131,741) has been applied to the capital owing, with a fair value interest charge of £131,741 (2015 - £129,997).

The amount due to them at the year end, including the above amortised cost adjustment, was £6,345,354 (2016 - £5,594,218) and the group has pledged specific assets as security for this loan. This loan is repayable in more than one year.

The gross remuneration of key management personnel is £269,786 (2016 - £226,871).

33. POST BALANCE SHEET EVENTS

Since the year end the subsidiary, Frimstone Limited, has been acquired by a 3rd party.

34. CONTROLLING PARTY

The ultimate controlling party is M E & R L Davenport.

ALBORO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

35. SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Frimstone Limited	Ordinary	100 %	The supply of sand, gravel, recycled materials and carrstone, general contracting and waste disposal
Alboro Developments Limited	Ordinary	100 %	Property investment
Alboro Engineering Company Limited	Ordinary	100 %	Dormant company
Midland Lime Limited	Ordinary	100 %	Dormant company
Aggregates Recycling Limited	Ordinary	100 %	Dormant company
Blakeney Garage Limited	Ordinary	100 %	Garage forecourt and other services