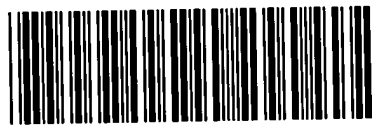


KAMM CIVIL ENGINEERING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2017

FRIDAY



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24/08/2018
COMPANIES HOUSE

KAMM CIVIL ENGINEERING LIMITED

COMPANY INFORMATION

Directors	Adam McCormack Keith McWilliams
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Company secretary	Keith McWilliams
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Registered number	03128029
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Registered office	19 Black Moor Road Verwood Dorset BH31 6AX
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Independent auditors	Clifford Fry & Co LLP St Mary's House Netherhampton Salisbury Wiltshire SP2 8PU
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KAMM CIVIL ENGINEERING LIMITED

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KAMM CIVIL ENGINEERING LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2017**

KAMM Group, through its Civil Engineering, Building Contracting and Residential Services divisions, has over the years delivered many successful projects, both locally and nationally.

With nearly 20 years experience and a wealth of expertise and experience, KAMM Civil Engineering Limited are able to provide a solution to any project involving Civil Engineering and Groundworks.

2017 was a record year for the company with turnover of £26.5 million and pre tax profits of £2.6 million. There was slightly more expenditure on subcontract labour and services than in the prior year.

The directors believe that financial risk is limited due to the number of ongoing long term contracts and the relationship it has built up with its customers.

Business key performance indicators include gross profit percentage, 15.1% (2016: 16.8%). Liquidity is measured by the use of the current ratio, which is stated at 2:1 (2016: 1.5:1), indicating the company's ability to pay its creditors as they fall due.

In order to monitor performance, the directors continually review the financial position of the company. Each month management accounts are produced which analyse the company's performance.

Like every business in the country, we are always nervous about the downturn in the economy. We have continued to trade well throughout a very tricky period. This we believe is largely down to our reputation which is built upon our innovative approach to providing high quality, cost effective groundwork solutions and our professionalism which helps us to build strong client relations.

This report was approved by the board on 23/08/18

and signed on its behalf.



Adam McCormack
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2017**

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company'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 Company will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £2,103,399 (2016 - £2,236,238).

The directors have paid an interim dividend of £nil and a final dividend of £nil.

Directors

The directors who served during the year were:

Adam McCormack
Keith McWilliams

Future developments

The Company continues to trade successfully with no material future developments planned.

KAMM CIVIL ENGINEERING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 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'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's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

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

This report was approved by the board on 23/08/18 and signed on its behalf.



.....
Adam McCormack
Director

KAMM CIVIL ENGINEERING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KAMM CIVIL ENGINEERING LIMITED

Opinion

We have audited the financial statements of KAMM Civil Engineering Limited (the 'Company') for the year ended 30 November 2017, which comprise the Statement of income and retained earnings, the Balance sheet, the Statement of cash flows 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 Company's affairs as at 30 November 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information 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.

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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KAMM CIVIL ENGINEERING LIMITED
(CONTINUED)**

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

KAMM CIVIL ENGINEERING LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KAMM CIVIL ENGINEERING LIMITED
(CONTINUED)**

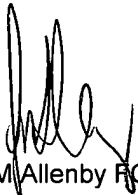
Auditors' responsibilities for the audit of the financial statements

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.

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.



S M Allenby FCA (Senior statutory auditor)

for and on behalf of
Clifford Fry & Co LLP

St Mary's House
Netherhampton
Salisbury
Wiltshire
SP2 8PU

Date: 23/04/18

KAMM CIVIL ENGINEERING LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 NOVEMBER 2017

	Note	2017 £	2016 £
Turnover	4	26,484,226	24,398,583
Cost of sales		(22,494,875)	(20,295,635)
Gross profit		3,989,351	4,102,948
Administrative expenses		(1,431,734)	(1,224,319)
Other operating income	5	62,788	158,027
Operating profit	6	2,620,405	3,036,656
Interest payable and expenses	10	(10,040)	(30,099)
Profit before tax		2,610,365	3,006,557
Tax on profit	11	(506,966)	(770,319)
Profit after tax		2,103,399	2,236,238
Retained earnings at the beginning of the year		3,147,104	2,364,316
Profit for the year		2,103,399	2,236,238
Dividends declared and paid		(1,492,838)	(1,453,450)
Retained earnings at the end of the year		3,757,665	3,147,104

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

The notes on pages 10 to 23 form part of these financial statements.

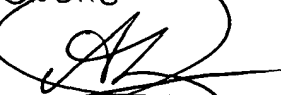
KAMM CIVIL ENGINEERING LIMITED
REGISTERED NUMBER: 03128029

BALANCE SHEET
AS AT 30 NOVEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	<u>876,958</u>	<u>767,194</u>
		876,958	767,194
Current assets			
Stocks	14	31,000	35,000
Debtors: amounts falling due within one year	15	7,502,549	7,510,940
Cash at bank and in hand	16	<u>327,198</u>	<u>742,104</u>
		7,860,747	8,288,044
Creditors: amounts falling due within one year	17	<u>(4,805,647)</u>	<u>(5,631,006)</u>
Net current assets		3,055,100	2,657,038
Total assets less current liabilities		3,932,058	3,424,232
Creditors: amounts falling due after more than one year	18	(65,000)	(168,728)
Provisions for liabilities			
Deferred tax	21	<u>(109,301)</u>	<u>(108,308)</u>
		(109,301)	(108,308)
Net assets		3,757,757	3,147,196
Capital and reserves			
Called up share capital	22	92	92
Profit and loss account	23	<u>3,757,665</u>	<u>3,147,104</u>
		3,757,757	3,147,196

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

23/08/18



Adam McCormack
Director

The notes on pages 10 to 23 form part of these financial statements.

KAMM CIVIL ENGINEERING LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 NOVEMBER 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	2,103,399	2,236,238
Adjustments for:		
Depreciation of tangible assets	198,867	279,527
Loss on disposal of tangible assets	5,098	165,367
Interest paid	10,040	30,099
Taxation charge	506,966	770,319
Decrease/(increase) in stocks	4,000	(21,000)
(Increase) in debtors	(1,191,170)	(1,858,764)
(Decrease)/increase in creditors	(514,846)	419,342
(Decrease)/increase in amounts owed to groups	(500,000)	559,037
Corporation tax (paid)	(663,825)	(1,027,266)
Net cash generated from operating activities	(41,471)	1,552,899
Cash flows from investing activities		
Purchase of tangible fixed assets	(324,437)	(623,903)
Sale of tangible fixed assets	10,708	493,500
HP interest paid	(8,865)	(30,099)
Net cash from investing activities	(322,594)	(160,502)
Cash flows from financing activities		
Repayment of/new finance leases	(49,666)	(60,446)
Dividends paid	-	(1,453,450)
Interest paid	(1,175)	-
Net cash used in financing activities	(50,841)	(1,513,896)
Net (decrease) in cash and cash equivalents	(414,906)	(121,499)
Cash and cash equivalents at beginning of year	742,104	863,603
Cash and cash equivalents at the end of year	327,198	742,104
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	327,198	742,104
	327,198	742,104

KAMM CIVIL ENGINEERING LIMITED

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

1. General information

The company is a private company limited by share capital and was incorporated in England. The company's registered office and principal place of business is 19 Black Moor Road, Verwood, Dorset, BH31 6AX. The principal activity of the company is that of civil engineers.

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 financial statements are presented in Sterling (£).

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

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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:

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 Company 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.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

2.4 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

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

2. Accounting policies (continued)**2.5 Pensions****Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of income and retained earnings 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 Company in independently administered funds.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge 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 income 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 operates and generates 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.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Short-term leasehold property	- 5% reducing balance
Plant and machinery	- 15% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance

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 date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.8 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. Work in progress and finished goods include labour and attributable overheads.

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.

2.9 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.

2.10 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 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 Company's cash management.

2.11 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.

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

2. Accounting policies (continued)**2.12 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company 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 Statement of income and retained earnings in the year that the Company 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.

2.13 Financial instruments

The Company 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Statement of income and retained earnings.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors do not believe that the financial statements are materially impacted by their use of judgements.

KAMM CIVIL ENGINEERING LIMITED

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

4. Turnover

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

	2017 £	2016 £
Exterior building work	26,484,226	24,398,583
	<u>26,484,226</u>	<u>24,398,583</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2017 £	2016 £
Service charge receivable	-	30,000
Sundry income	62,788	66,052
Consultancy fees receivable	-	61,975
	<u>62,788</u>	<u>158,027</u>

6. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	198,867	279,527
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,320	12,530
Defined contribution pension cost	<u>57,118</u>	<u>3,578</u>

KAMM CIVIL ENGINEERING LIMITED

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

7. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,980	9,995
Fees payable to the Company's auditor and its associates in respect of:		
All other services	2,340	2,535
	2,340	2,535

8. Employees

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

	2017 £	2016 £
Wages and salaries	1,454,355	1,300,308
Social security costs	160,211	143,141
Cost of defined contribution scheme	57,118	3,578
	1,671,684	1,447,027

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

	2017 No.	2016 No.
Employees	38	34

9. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	75,000	75,000
Company contributions to defined contribution pension schemes	48,633	273
	123,633	75,273

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

KAMM CIVIL ENGINEERING LIMITED

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

10. Interest payable and similar charges

	2017 £	2016 £
Finance leases and hire purchase contracts	8,865	30,099
Other interest payable	1,175	-
	<u>10,040</u>	<u>30,099</u>

11. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	505,973	662,011
Total current tax	<u>505,973</u>	<u>662,011</u>
Deferred tax		
Origination and reversal of timing differences	993	108,308
Total deferred tax	<u>993</u>	<u>108,308</u>
Taxation on profit on ordinary activities	<u>506,966</u>	<u>770,319</u>

KAMM CIVIL ENGINEERING LIMITED

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

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2016 - the same as) the standard rate of corporation tax in the UK of 20% up until 31 March 2017 and 19% from 1 April 2017 (2016 - 20%) as set out below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>2,610,365</u>	<u>3,006,557</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	522,073	601,311
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,549	10,533
Capital allowances for year in excess of depreciation	(5,152)	50,167
Difference in tax rates 19%	(17,497)	-
Deferred taxation	993	108,308
Total tax charge for the year	<u>506,966</u>	<u>770,319</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2017 £	2016 £
Dividends on ordinary shares	<u>1,492,838</u>	<u>1,453,450</u>
	<u>1,492,838</u>	<u>1,453,450</u>

KAMM CIVIL ENGINEERING LIMITED

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

13. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 December 2016	175,143	382,369	375,813	70,010	1,003,335
Additions	-	72,900	249,379	2,158	324,437
Disposals	-	(18,379)	(10,740)	(367)	(29,486)
At 30 November 2017	175,143	436,890	614,452	71,801	1,298,286
Depreciation					
At 1 December 2016	15,770	68,048	121,959	30,364	236,141
Charge for the year on owned assets	7,968	4,947	7,147	10,420	30,482
Charge for the year on financed assets	-	52,398	115,987	-	168,385
Disposals	-	(13,449)	-	(231)	(13,680)
At 30 November 2017	23,738	111,944	245,093	40,553	421,328
Net book value					
At 30 November 2017	151,405	324,946	369,359	31,248	876,958
At 30 November 2016	159,373	314,321	253,854	39,646	767,194

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

	2017 £	2016 £
Plant and machinery	296,914	307,062
Motor vehicles	347,920	253,854
	<u>644,834</u>	<u>560,916</u>

KAMM CIVIL ENGINEERING LIMITED

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

14. Stocks

	2017 £	2016 £
Finished goods and goods for resale	31,000	35,000
	<u>31,000</u>	<u>35,000</u>

Stock recognised in cost of sales during the year as an expense was £9,100,681 (2016 - £9,010,529).

15. Debtors

	2017 £	2016 £
Trade debtors	4,806,437	5,266,749
Other debtors	2,637,957	2,137,216
Prepayments and accrued income	20,655	61,975
Amounts recoverable on long term contracts	37,500	45,000
	<u>7,502,549</u>	<u>7,510,940</u>

Included within other debtors due within one year are loans to the following directors:

A McCormack £nil (2016 -£112,106)

K McWilliams £nil (2016 - £387,984)

16. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	327,198	742,104
	<u>327,198</u>	<u>742,104</u>

KAMM CIVIL ENGINEERING LIMITED

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

17. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	2,295,127	2,804,832
Amounts owed to group undertakings	59,037	559,037
Corporation tax	416,659	574,511
Other taxation and social security	84,763	52,929
Obligations under finance lease and hire purchase contracts	299,976	245,914
Other creditors	1,005,124	1,034,262
Accruals and deferred income	644,961	359,521
	<u>4,805,647</u>	<u>5,631,006</u>

The hire purchase creditor is secured on the assets concerned.

Included in other creditors is a directors current account balance of £5,871.

18. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	65,000	168,728
	<u>65,000</u>	<u>168,728</u>

The hire purchase creditor is secured on the assets concerned.

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	299,976	245,914
Between 1-5 years	65,000	168,728
	<u>364,976</u>	<u>414,642</u>

Certain plant and machinery and motor vehicles are held under hire purchase contracts. These liabilities are secured by the related assets. The contracts generally include a period of fixed payments and a purchase option at the end of the contract term.

KAMM CIVIL ENGINEERING LIMITED

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

20. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	327,198	742,104
Financial assets that are debt instruments measured at amortised cost	7,444,394	7,403,965
	<u>7,771,592</u>	<u>8,146,069</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(3,998,378)	(4,745,045)
	<u>(3,998,378)</u>	<u>(4,745,045)</u>

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

Financial assets that are debt instruments measured at amortised cost comprise trade and other receivables.

Financial liabilities measured at amortised cost comprise trade and other payables.

21. Deferred taxation

	2017 £
At beginning of year	(108,308)
Charged to profit or loss	(993)
At end of year	<u>(109,301)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	109,301	108,308
	<u>109,301</u>	<u>108,308</u>

KAMM CIVIL ENGINEERING LIMITED

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

22. Share capital

	2017 £	2016 £
Authorised		
98 Ordinary shares of £1 each	98	98
2 Ordinary B shares of £1 each	2	2
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
90 Ordinary shares of £1 each	90	90
2 Ordinary B shares of £1 each	2	2
	<u>92</u>	<u>92</u>

23. Reserves

Profit and loss account

Includes all current and prior period profit and losses.

24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £57,118 (2016 - £3,578). Contributions totalling £2,062 (2016 - £1,603) were payable to the fund at the balance sheet date and are included in creditors.

25. Commitments under operating leases

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

	2017 £	2016 £
Later than 1 year and not later than 5 years	1,176	7,047
	<u>1,176</u>	<u>7,047</u>

KAMM CIVIL ENGINEERING LIMITED

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

26. Related party transactions

During the year the company made net transfers of £500,000 (2016 - £559,037) with its parent company, KAMM (Holdings) Limited. At the year end £59,037 (2016 - £559,037) was owed to KAMM (Holdings) Limited and is included in creditors as amounts owed to group undertakings.

The directors trade in a partnership known as KAMM Plant Hire (KPH). During the year the company hired plant, vehicles and equipment from KPH to the value of £1,280,493 (2016 - £4,077,106). The company paid rent to KPH of £15,600 (2016 - £15,600). The company bought fixed assets amounting to £900 from KPH (2016 - £nil). The company sold fixed assets to KPH of £nil (2016 - £493,500), charged management fees to KPH of £45,000 (2016 - £30,000) and recharged costs to KPH of £69,877 (2016 - £65,478). At the year end the KPH owed the company £505,871 included within Other debtors (2016 - £Nil).

The company received rent of £nil (2016 - £nil) from Westmade Limited, a company in which both directors are also directors. The company paid Westmade Limited for building work supplied at their premises totalling £27,000 (2016 - £27,000). There was no balance outstanding at the year end (2016 - £nil).

Key management personnel remuneration for the year was £123,633 (2016 - £75,273).

27. Controlling party

The company is a wholly owned subsidiary of KAMM (Holdings) Limited. The ultimate controlling party is the directors of the company by virtue of their shareholding in KAMM (Holdings) Limited.