Registered number: 01284029

Garrandale Limited

Directors' report and financial statements

For the year ended 28 February 2015

DAINS
ACCOUNTANTS

Garrandale Limited

Company Information

Directors	J S Foxcroft Mrs M A Foxcroft M Prentice S Rowley A Millington Mrs C Prentice
Company secretary	J S Foxcroft
Registered number	01284029
Registered office	Alfreton Road Derby Derbyshire DE21 4AP
Independent auditors	Dains LLP Charlotte House Stanier Way The Wyvern Business Park Derby DE21 6BF
Bankers	HSBC Bank plc Victory Road Derby DE24 9HX

Contents

The directors present their report and the financial statements for the year ended 28 February 2015.

Principal activities

The principal activity of the company in the year continues to be that of engineering, design and general manufacturing.

Results

The profit for the year, after taxation, amounted to £139,912 (2014 - £300,150).

Directors

The directors who served during the year were:

J S Foxcroft
Mrs M A Foxcroft
M Prentice
S Rowley
A Millington
Mrs C Prentice

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

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

This report was approved by the board on 3 June 2015 and signed on its behalf.

M Prentice
Director

Business review

The Board of Directors are delighted with the company's performance for the year with results broadly in line with a challenging forecast and following a continued pattern of growth in both turnover and profitability. The increase in turnover of over 22% was managed well within the company's facilities and its liquidity was strengthened as a result.

The growth was achieved following continued and increased trade with key high profile customers such as Siemens, Hitachi, Volkerfitzpatrick, Network Rail and Bombardier. This was a significant year in both delivery and winning of major national infrastructure contracts including Thameslink, Intercity Express Programme and Crossrail, all of which Garrandale have key roles in. Further growth has followed in the company's support divisions with ongoing maintenance, cleaning and refurbishment contracted for many years to come. Other significant long term orders have been won in the chemical division meaning that the full complement of products and services offered by Garrandale have been reinforced and underpinned by strong forward orders.

The Board has invested in a strategy review which is nearing its conclusion and forecasts significant growth through the next three years. To accompany this the business has undergone a full rebrand to fully promote its position and potential as a key multi-industry supplier on a large scale and able to deliver significant projects to all sizes of customer. Further progress has been made in enhancing the corporate profile with the initiation of a training and apprenticeship programme in partnership with some of Derbyshire's largest businesses, as well as being a significant contributor to the local area by supporting initiatives and making charitable donations.

The company's site portfolio was also strengthened, with the purchase of land in Derby to consolidate its main operating site, and leasing new premises in Swadlincote to allow for new product development and distribution on the chemicals side. Research and development and product innovation remains a key part of the company's strategy and the Board are keen to continue funding these initiatives going forward.

Looking forward the Board have a strongly optimistic view on the next financial year, which again has a challenging forecast, given the work already underway on the Crossrail project and the conclusion of the key depot infrastructure projects backed up by new orders, along with moving into established export markets.

Principal risks and uncertainties

The company operates the following risk management policies

Exchange rate risk
The company sells to and purchases goods from companies overseas and is therefore exposed to movements in exchange rates that occur between the date of delivery and settlement. The company seeks to mitigate this risk by operating foreign currency bank accounts and seeking to match payment and receipts in the same currency.

Credit risk
Credit risk arises on assets such as trade debtors. Policies and procedures exist to ensure that the trade debtors have an appropriate credit history before credit is granted.

Liquidity risk
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance.

Financial key performance indicators

The directors consider the key performance indicator of the business is gross margin. The company has reported a consistent gross margin for 2015 when compared to 2014 despite challenge to achieve this due to various pressures on material and wage inflation and increased competitiveness from the UK and overseas for similar products and services. The board are pleased with the performance of the company when measured against this indicator.

This report was approved by the board on 3 June 2015 and signed on its behalf.

M Prentice
Director

Independent auditors' report to the members of Garrandale Limited

We have audited the financial statements of Garrandale Limited for the year ended 28 February 2015, set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.

Mark Hargate FCA (Senior statutory auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Charlotte House, Derby

3 June 2015

Garrandale Limited

Profit and loss account
For the year ended 28 February 2015

	Note	2015 £	2014 £
Turnover	1,2	**12,931,803**	10,584,410
Cost of sales		**(9,655,050)**	(7,878,324)
Gross profit		**3,276,753**	2,706,086
Distribution costs		**(520,611)**	(472,323)
Administrative expenses		**(2,551,035)**	(2,131,991)
Other operating income	3	**1,500**	4,173
Operating profit	4	**206,607**	105,945
Interest receivable and similar income		**-**	3
Interest payable and similar charges	7	**(29,809)**	(3,056)
Profit on ordinary activities before taxation		**176,798**	102,892
Tax on profit on ordinary activities	8	**(36,886)**	197,258
Profit for the financial year	18	**139,912**	300,150

All amounts relate to continuing operations.

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

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

Note of historical cost profits and losses
For the year ended 28 February 2015

	2015 £	2014 £
Reported profit on ordinary activities before taxation	**176,798**	102,892
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	**4,814**	4,814
Historical cost profit on ordinary activities before taxation	**181,612**	107,706
Historical profit for the year after taxation	**144,726**	304,964

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

Garrandale Limited
Registered number: 01284029

Balance sheet
As at 28 February 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	9		**179,597**		264,839
Tangible assets	10		**2,183,052**		1,346,146
Investments	11		**44,440**		77,225
			2,407,089		1,688,210
Current assets					
Stocks	12	**252,488**		264,072	
Debtors	13	**4,322,347**		4,090,109	
Cash at bank and in hand		**2,681**		151,793	
		4,577,516		4,505,974	
Creditors: amounts falling due within one year	14	**(3,983,569)**		(4,048,836)	
Net current assets			**593,947**		457,138
Total assets less current liabilities			**3,001,036**		2,145,348
Creditors: amounts falling due after more than one year	15		**(684,451)**		(32,132)
Provisions for liabilities					
Deferred tax	16		**(88,546)**		(25,089)
Net assets			**2,228,039**		2,088,127
Capital and reserves					
Called up share capital	17		**15,098**		15,098
Revaluation reserve	18		**338,953**		343,767
Profit and loss account	18		**1,873,988**		1,729,262
Shareholders' funds	19		**2,228,039**		2,088,127

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 June 2015.

A Millington
Director

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

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Turnover represents amounts invoiced to customers and, in the case of contracts, the value of the work carried out during the period. Full provision is made for all known or expected losses at completion or immediately as such losses are forecast on each contract. Turnover excludes Value Added Tax.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Trademark costs are amortised to the profit and loss account over its estimated economic life of three years.

Development costs capitalised are amortised to the profit and loss account over the period during which the company is expected to benefit.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Plant and machinery	-	10% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	15% reducing balance
Office equipment	-	33.3% straight line
Computer equipment	-	25% straight line

1. Accounting policies (continued)

1.6 Revaluation of tangible fixed assets

Freehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

1.7 Investments

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

1.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the 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 Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.9 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Amounts recoverable on contracts are valued at anticipated net sales value of work done after provision for contingencies and anticipated future losses on contracts. Claims are included in the valuation of contracts and credited to the profit and loss account only after entitlement has been established.

Payments received on account are deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors.

1. Accounting policies (continued)

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.13 Research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the company is expected to benefit. This period is between two and three years. Provision is made for any impairment.

1.14 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Turnover

A geographical analysis of turnover is as follows:

	2015	2014
	£	£
United Kingdom	**12,800,227**	10,381,107
Rest of European Union	**131,576**	200,570
Rest of world	**-**	2,733
	12,931,803	10,584,410

3. Other operating income

	2015	2014
	£	£
Rents receivable	-	4,173
Grants receivable	1,500	-
	1,500	4,173

4. Operating profit

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

	2015	2014
	£	£
Amortisation of intangible fixed assets	26,664	26,431
Depreciation of tangible fixed assets:		
- owned by the company	145,589	121,810
- held under finance leases	9,768	8,686
Auditors' remuneration	10,250	10,000
Operating lease rentals:		
- other operating leases	59,716	82,469
Difference on foreign exchange	5,454	1,651
Amortisation of deferred research and development expenditure	91,686	58,004
Research and development expenditure written off	10,778	-
Motor vehicle lease rentals	146,927	156,853

5. Staff costs

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

	2015	2014
	£	£
Wages and salaries	3,109,384	3,006,784
Social security costs	303,126	214,633
Other pension costs	43,973	40,557
	3,456,483	3,261,974

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

	2015	2014
	No.	No.
Production & Site Engineers	43	43
Sales & Project Engineers	25	22
Admin & Support	22	19
Directors	6	6
	96	90

6. Directors' remuneration

	2015	2014
	£	£
Remuneration	**341,497**	330,919
Company pension contributions to defined contribution pension schemes	**9,600**	9,600

During the year retirement benefits were accruing to 3 directors (2014 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £83,461 (2014 - £103,435).

7. Interest payable

	2015	2014
	£	£
On bank loans and overdrafts	**22,678**	712
On finance leases and hire purchase contracts	**7,131**	2,344
	29,809	3,056

8. Taxation

	2015	2014
	£	£
Analysis of tax credit in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	**-**	14,787
Adjustments in respect of prior periods	**(26,571)**	(190,820)
Total current tax	**(26,571)**	(176,033)
Deferred tax		
Origination and reversal of timing differences	**63,457**	25,089
Charges in recoverable amounts of deferred tax assets	**-**	(46,314)
Total deferred tax (see note 16)	**63,457**	(21,225)
Tax on profit on ordinary activities	**36,886**	(197,258)

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015	2014
	£	£
Profit on ordinary activities before tax	**176,798**	102,892
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	**35,360**	20,578
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**35,803**	24,363
Capital allowances for year in excess of depreciation	**(26,219)**	(14,114)
Utilisation of tax losses	**(52,018)**	-
Adjustments to tax charge in respect of prior periods	**(26,571)**	(190,820)
Unrelieved tax losses carried forward	**-**	(15,166)
Other differences leading to an increase (decrease) in the tax charge	**7,074**	687
Group relief	**-**	(1,561)
Current tax credit for the year (see note above)	**(26,571)**	(176,033)

Factors that may affect future tax charges

The company has unrelieved trading losses available to carry forward and offset against certain future trading profits of approximately £nil (2014: £246,000).

9. Intangible fixed assets

	Trademarks	Development costs	Purchased Goodwill	Total
	£	£	£	£
Cost				
At 1 March 2014	3,539	257,058	152,092	412,689
Additions	3,392	29,716	-	33,108
At 28 February 2015	6,931	286,774	152,092	445,797
Amortisation				
At 1 March 2014	2,859	93,037	51,954	147,850
Charge for the year	1,245	91,686	25,419	118,350
At 28 February 2015	4,104	184,723	77,373	266,200
Net book value				
At 28 February 2015	2,827	102,051	74,719	179,597
At 28 February 2014	680	164,021	100,138	264,839

Development costs capitalised relate to a number of clearly defined projects. The costs are being amortised in equal amounts over two or three years from commercial production given most of the benefit is expected to fall in these years.

10. Tangible fixed assets

	Freehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 March 2014	725,000	1,310,241	69,746	264,792	361,431	2,731,210
Additions	694,858	72,861	159,215	28,301	106,401	1,061,636
Disposals	-	(58,225)	(65,695)	(18,562)	(123,869)	(266,351)
At 28 February 2015	1,419,858	1,324,877	163,266	274,531	343,963	3,526,495
Depreciation						
At 1 March 2014	33,833	937,547	12,436	201,319	199,929	1,385,064
Charge for the year	17,975	39,374	17,915	11,874	68,219	155,357
On disposals	-	(41,498)	(14,021)	(17,590)	(123,869)	(196,978)
At 28 February 2015	51,808	935,423	16,330	195,603	144,279	1,343,443
Net book value						
At 28 February 2015	1,368,050	389,454	146,936	78,928	199,684	2,183,052
At 28 February 2014	691,167	372,694	57,310	63,473	161,502	1,346,146

10. Tangible fixed assets (continued)

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

	2015	2014
	£	£
Motor vehicles	**138,498**	46,059

The freehold property was revalued on 16 July 2008 by Salloway Property Consultants, on 28 July 2011 by FHP Property Consultants and on 27 March 2015 by BB&J Commercial on an open market value basis. The most current valuation given by BB&J Commercial, Chartered Surveyors, valued the Freehold property at £1.4 million.

Valuation at 28 February 2015 is as follows:

	Freehold property
	£
At cost	**1,179,149**
At valuation:	
16 July 2008	**535,709**
28 July 2011	**(295,000)**
	1,419,858

If the freehold property had not been included at valuation they would have been included under the historical cost convention as follows:

	2015	2014
	£	£
Cost	**1,179,149**	484,291
Accumulated depreciation	**(150,051)**	(136,891)
Net book value	**1,029,098**	347,400

11. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 March 2014 and 28 February 2015	**294,225**
Impairment	
At 1 March 2014	**217,000**
Charge for the year	**32,785**
At 28 February 2015	**249,785**
Net book value	
At 28 February 2015	**44,440**
At 28 February 2014	77,225

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	**Class of shares**	**Holding**
Garrandale Systems Limited	Ordinary	100%
True Weld (Derby) Limited	Ordinary	100%
Garrandale Rail Limited	Ordinary	100%
Graffstop Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 28 February 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	**Aggregate of share capital and reserves £**	**Profit/(loss) £**
Garrandale Systems Limited	**100**	**-**
True Weld (Derby) Limited	**40,909**	**(15,482)**
Garrandale Rail Limited	**200**	**-**
Graffstop Limited	**1**	**-**

12. Stocks

	2015 £	2014 £
Raw materials	**252,488**	264,072

13. Debtors

	2015	2014
	£	£
Due after more than one year		
Amounts owed by group undertakings	**433,926**	333,926
Due within one year		
Trade debtors	**2,533,216**	2,335,903
Amounts owed by group undertakings	**22,326**	25,884
Other debtors	**94,292**	114,182
Prepayments and accrued income	**152,588**	183,645
Amounts recoverable on long term contracts	**1,049,436**	1,090,447
Tax recoverable	**36,563**	6,122
	4,322,347	4,090,109

14. Creditors:
Amounts falling due within one year

	2015	2014
	£	£
Bank loans and overdrafts	**331,541**	-
Payments received on account	**924,214**	1,596,708
Net obligations under finance leases and hire purchase contracts	**40,896**	11,337
Trade creditors	**2,303,796**	1,893,996
Amounts owed to group undertakings	**2,743**	11,254
Corporation tax	**5,585**	14,787
Other taxation and social security	**176,283**	327,607
Other creditors	**21,307**	73,479
Accruals and deferred income	**177,204**	119,668
	3,983,569	4,048,836

Net obligations under finance and hire purchase contracts are secured by fixed charges over the assets concerned. The bank loan and overdraft is secured by a first legal charge dated 08 December 2014 over the Freehold Property.

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

	2015	2014
	£	£
Bank loans	**613,014**	-
Net obligations under finance leases and hire purchase contracts	**71,437**	32,132
	684,451	32,132

15. Creditors:
Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	2015 £	2014 £
Repayable by instalments	**483,014**	-

The bank loan and overdraft is secured by a first legal charge dated 03 February 1988 over the Freehold Property. The bank loan is for a 20 year period and repayable by instalments. Interest is charged at a rate of 2.6% above Bank base rate per annum.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2015 £	2014 £
Between one and five years	**71,437**	32,132

Net obligations under finance and hire purchase contracts are secured by fixed charges over the assets concerned.

16. Deferred taxation

	2015 £	2014 £
At beginning of year	**25,089**	46,314
Charge for/(released during) year (P&L)	**63,457**	(21,225)
At end of year	**88,546**	25,089

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	**89,883**	75,396
Tax losses carried forward	**(44)**	(49,188)
Short-term timing differences	**(1,293)**	(1,119)
	88,546	25,089

17. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
15,098 Ordinary shares of £1 each	**15,098**	15,098

18. Reserves

	Revaluation reserve £	Profit and loss account £
At 1 March 2014	**343,767**	**1,729,262**
Profit for the financial year		**139,912**
Transfer between Revaluation reserve and P/L account	**(4,814)**	**4,814**
At 28 February 2015	**338,953**	**1,873,988**

19. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	**2,088,127**	1,787,977
Profit for the financial year	**139,912**	300,150
Closing shareholders' funds	**2,228,039**	2,088,127

20. Contingent liabilities

At the year end a composite company unlimited multi lateral guarantee existed between the company's subsidiary undertakings and its parent undertaking. At the balance sheet date, the company had given guarantees to a number of its customers as way of performance bonds for the combined value of £220,000.

21. Pension commitments

The company operates a defined contribution 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 £43,973 (2014 - £40,557). Contributions totalling £6,885 (2014 - £5,223) were payable to the fund at the balance sheet date and are included within creditors.

22. Operating lease commitments

At 28 February 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £	2014 £	**2015** £	2014 £
Expiry date:				
Within 1 year	**-**	-	**-**	63,466
Between 2 and 5 years	**17,959**	86,500	**51,333**	31,858

23. Directors' benefits: advances, credit and guarantees

During the year advances were given to M Prentice, a director, totalling £20,000 (2014 - £700). The company also incurred private expenditure on behalf of the director, totalling £22,342 (2014 - £7,654). Interest was charged on the directors loan amount of £Nil (2014 - £Nil). The balance owing to the company at the year end was £94,193 (2014 - £51,851). This is repayable in full within 12 months.

24. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with wholly owned subsidiaries.

The company leases land and buildings from the Garrandale Directors Pension Scheme, a small self administered scheme which provides retirement benefits for two of the directors. During the year the company was charged rent of £69,200 (2014 - £86,500) by the Pension Scheme. In November 2014, the company acquired the property from the pension scheme for a consideration of £650,000.

M Prentice is a director of Garrandale Ireland Limited (a company registered in Ireland). During the year approximately £16,000 was received from Garrandale Ireland Limited and aggregate services were received from Garrandale Ireland Limited amounting to approximately £13,000. The remaining balance has been provided against leaving an amount due at the year end of £nil (2014 - 62,233).

25. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is Alfreton Holdings Limited, a company incorporated in England and Wales.

Mr M Prentice is the ultimate controlling party by virtue of his majority shareholding in Alfreton Holdings Limited.