

**Registered Number**  
**01621476**

**MARTEK CONTRACTS LIMITED**  
**DIRECTORS' REPORT**  
**AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2016**



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**MAURICE ANDREWS**  
**Chartered Accountants**  
**Global House**  
**1 Ashley Avenue**  
**Epsom, Surrey**  
**KT18 5FL**

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**MARTEK CONTRACTS LIMITED**

**STRATEGIC REPORT**

**YEAR ENDED 31ST MARCH 2016**

The principal activity of the company during the year was that of fit out contractors, manufacturers of specialist joinery systems and fabricators of solid surface materials.

The company has continued to diversify its services and whilst retaining a strong element of work within its core market of Cinema Retail Systems, Healthcare and Commercial Catering developments it has continued its entry into the specialist furniture market.

The benefits of this policy can clearly be seen by virtue of a 4.2% rise in the company's turnover. This focus on a potentially more lucrative diversified portfolio of work together with continued improvements in internal efficiency on both the production and operations side of the business have led to a rise in gross profit margins from 20.7% to 23.5% for the year.

The company continues to see a trend of more profitable contracts coming on stream through the latter stages of the year ended 31st March 2016 and has a number of advantageous contracts due to start in the forthcoming year.

After a quiet start to the year, the company experienced a high volume of work in the final quarter which is reflected in a high level of trade debtors at the year end. These were fully settled by the end of April and together with the fall in levels of debt, the company continues to improve its cashflow position.

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'W.D. Galloway', with a stylized flourish at the end.

W.D. Galloway  
Company Secretary

Approved by the directors on 7<sup>th</sup> October 2016

# **MARTEK CONTRACTS LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31ST MARCH 2016**

The directors present their report and the audited financial statements of the company for the year ended 31st March 2016.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £242,596. The directors have not recommended a dividend.

#### **THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY**

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	<b>Ordinary Shares of £0.01 each</b>	
	<b>At</b>	<b>At</b>
	<b>31.3.2016</b>	<b>1.4.2015</b>
M.S. Preen	<b>3,350</b>	3,350
W.D. Galloway	<b>3,350</b>	3,350
S. Ivin	<b>744</b>	744
	<hr/>	<hr/>

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 year.

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

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

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

**MARTEK CONTRACTS LIMITED**

**DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31ST MARCH 2016**

**STRATEGIC REPORT**

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

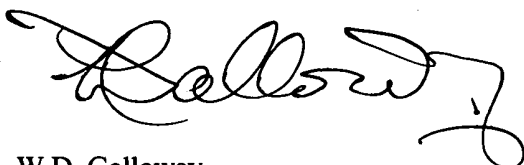
**AUDITOR**

Maurice Andrews are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'W.D. Galloway', with a stylized flourish at the end.

W.D. Galloway  
Company Secretary

Approved by the directors on 7<sup>th</sup> October 2016

**MARTEK CONTRACTS LIMITED****INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
MARTEK CONTRACTS LIMITED****YEAR ENDED 31ST MARCH 2016**

We have audited the financial statements of Martek Contracts Limited for the year ended 31st March 2016. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Statement of Directors' Responsibilities set out 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. 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 annual 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 31st March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MARTEK CONTRACTS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
MARTEK CONTRACTS LIMITED (continued)**

**YEAR ENDED 31ST MARCH 2016**

**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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.



BRUCE ELLIOTT (Senior Statutory Auditor)  
For and on behalf of  
MAURICE ANDREWS  
CHARTERED ACCOUNTANTS  
& STATUTORY AUDITORS

7<sup>th</sup> October 2016

Global House,  
1 Ashley Avenue,  
Epsom, Surrey  
KT18 5FL.

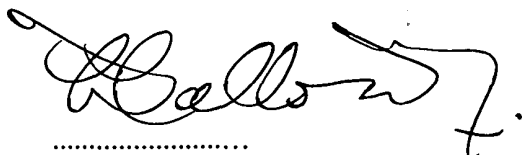
**MARTEK CONTRACTS LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST MARCH 2016**

	Note	2016 £	2015 £
<b>TURNOVER</b>	<b>2</b>	<b>5,772,128</b>	<b>5,541,159</b>
Cost of sales		<b>(4,414,397)</b>	<b>(4,394,994)</b>
<b>GROSS PROFIT</b>		<b>1,357,731</b>	<b>1,146,165</b>
Administrative expenses		<b>(1,296,190)</b>	<b>(1,158,023)</b>
Other operating income	<b>3</b>	<b>254,157</b>	<b>242,264</b>
<b>OPERATING PROFIT</b>	<b>4</b>	<b>315,698</b>	<b>230,406</b>
Interest receivable		—	34
Interest payable and similar charges	<b>7</b>	<b>(3,262)</b>	<b>(14,478)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>312,436</b>	<b>215,962</b>
Tax on profit on ordinary activities	<b>8</b>	<b>(69,840)</b>	<b>(54,138)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>18</b>	<b>242,596</b>	<b>161,824</b>

**MARTEK CONTRACTS LIMITED****BALANCE SHEET****31ST MARCH 2016**

	Note	2016 £	£	2015 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		137,958		67,373
<b>CURRENT ASSETS</b>					
Stocks	10	230,150		203,415	
Debtors	11	1,545,773		1,532,814	
Cash at bank and in hand		9,691		8,559	
		<u>1,785,614</u>		<u>1,744,788</u>	
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(1,020,695)</u>		<u>(1,160,287)</u>	
<b>NET CURRENT ASSETS</b>			<u>764,919</u>		<u>584,501</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>902,877</u>		<u>651,874</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	13		(200,000)		(200,000)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred taxation	14		(16,082)		(7,675)
<b>NET ASSETS</b>			<u>686,795</u>		<u>444,199</u>
<b>CAPITAL AND RESERVES</b>					
Called up equity share capital	17		74		74
Other reserves	18		33		33
Profit and loss account	18		686,688		444,092
<b>SHAREHOLDERS' FUNDS</b>			<u>686,795</u>		<u>444,199</u>

These accounts were approved by the directors and authorised for issue on 7<sup>th</sup> October 2016, and are signed on their behalf by:



.....  
W.D. Galloway

Company Registration Number: 01621476

**MARTEK CONTRACTS LIMITED****CASH FLOW STATEMENT****YEAR ENDED 31ST MARCH 2016**

	Note	2016 £	2015 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	19	121,848	227,888
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		—	34
Interest paid		(3,262)	(14,478)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		(3,262)	(14,444)
<b>TAXATION</b>		(56,019)	(30,793)
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire tangible fixed assets		(94,000)	—
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		(94,000)	—
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		(31,433)	182,651
<b>FINANCING</b>			
Net inflow from other short-term creditors		60,000	—
<b>NET CASH INFLOW FROM FINANCING</b>		60,000	—
<b>INCREASE IN CASH</b>	20	28,567	182,651

**MARTEK CONTRACTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2016**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	over the life of the lease
Plant, Tools & Office Equipment	-	over 3 to 10 years straight line

**Stocks**

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

**Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

**MARTEK CONTRACTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2016****1. ACCOUNTING POLICIES *(continued)***

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**2. TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2016 £	2015 £
United Kingdom	5,348,618	5,238,023
Overseas	423,510	303,136
	<u>5,772,128</u>	<u>5,541,159</u>

**3. OTHER OPERATING INCOME**

	2016 £	2015 £
Release of EBT loan	211,893	200,000
Other operating income	42,264	42,264
	<u>254,157</u>	<u>242,264</u>

**MARTEK CONTRACTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2016**

**4. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation of owned fixed assets	23,415	24,716
Auditor's remuneration		
- as auditor	5,000	5,000
- for other services	13,000	13,000
Net loss/(profit) on foreign currency translation	<u>5,606</u>	<u>(3,515)</u>

**5. PARTICULARS OF EMPLOYEES**

The average number of persons employed by the company during the financial year, including the directors, amounted to 54 (2015 - 54).

The aggregate payroll costs of the above were:

	2016	2015
	£	£
Wages and salaries	1,727,566	1,716,252
Social security costs	187,446	182,240
Other pension costs	90,031	40,411
	<u>2,005,043</u>	<u>1,938,903</u>

**6. DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were:

	2016	2015
	£	£
Salaries	201,097	236,264
Other remuneration	26,343	18,650
	<u>227,440</u>	<u>254,914</u>
Contributions to money purchase pension schemes	366	30
	<u>227,806</u>	<u>254,944</u>

**Remuneration of highest paid director:**

	2016	2015
	£	£
Total remuneration (excluding pension contributions)	<u>95,081</u>	<u>94,675</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2016	2015
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

**MARTEK CONTRACTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2016**

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2016	2015
	£	£
Interest payable on bank borrowing	3,262	2,092
Interest on other loans	-	12,386
	<u>3,262</u>	<u>14,478</u>

**8. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2016	2015
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	61,433	56,019
Over provision in prior year	-	(1)
Total current tax	<u>61,433</u>	<u>56,018</u>
Deferred tax:		
Origination and reversal of timing differences	8,407	(1,880)
Tax on profit on ordinary activities	<u>69,840</u>	<u>54,138</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2015 - 21%).

	2016	2015
	£	£
Profit on ordinary activities before taxation	<u>312,436</u>	<u>215,962</u>
Profit on ordinary activities by rate of tax	62,488	45,352
Expenses not deductible for tax purposes	6,047	6,957
Capital allowances for period in excess of depreciation	(7,102)	4,905
Tax chargeable at lower rates	-	(1,195)
Adjustments to tax charge in respect of previous periods	-	(1)
Total current tax (note 8(a))	<u>61,433</u>	<u>56,018</u>

**MARTEK CONTRACTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2016**

**9. TANGIBLE ASSETS**

	Leasehold Property £	Plant, Tools & Office Equipment £	Total £
<b>COST</b>			
At 1st April 2015	158,270	355,314	513,584
Additions	–	94,000	94,000
<b>At 31st March 2016</b>	<u>158,270</u>	<u>449,314</u>	<u>607,584</u>
<b>DEPRECIATION</b>			
At 1st April 2015	128,805	317,406	446,211
Charge for the year	13,189	10,226	23,415
<b>At 31st March 2016</b>	<u>141,994</u>	<u>327,632</u>	<u>469,626</u>
<b>NET BOOK VALUE</b>			
<b>At 31st March 2016</b>	<u>16,276</u>	<u>121,682</u>	<u>137,958</u>
At 31st March 2015	<u>29,465</u>	<u>37,908</u>	<u>67,373</u>

**10. STOCKS**

	2016 £	2015 £
Work in progress	75,865	56,450
Finished goods	154,285	146,965
	<u>230,150</u>	<u>203,415</u>

**11. DEBTORS**

	2016 £	2015 £
Trade debtors	810,819	540,561
Amounts recoverable on contracts	667,505	853,805
Other debtors	3,073	650
Prepayments and accrued income	64,376	137,798
	<u>1,545,773</u>	<u>1,532,814</u>

**MARTEK CONTRACTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2016**

**12. CREDITORS: Amounts falling due within one year**

	2016	2015
	£	£
Related party loans	60,000	200,000
Bank overdraft	83,068	110,503
Payments received on account	94,506	224,693
Trade creditors	350,748	300,332
Taxation and social security	172,703	193,533
Other creditors	8,091	6,851
Directors' current accounts	80,000	—
Accruals and deferred income	171,579	124,375
	<u>1,020,695</u>	<u>1,160,287</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2016	2015
	£	£
Bank overdraft	<u>83,068</u>	<u>110,503</u>

**13. CREDITORS: Amounts falling due after more than one year**

	2016	2015
	£	£
Directors' loan accounts	<u>200,000</u>	<u>200,000</u>

**14. DEFERRED TAXATION**

The movement in the deferred taxation provision during the year was:

	2016
	£
Provision brought forward	7,675
Profit and loss account movement arising during the year	8,407
Provision carried forward	<u>16,082</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>16,082</u>	<u>7,675</u>
	<u>16,082</u>	<u>7,675</u>

**MARTEK CONTRACTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2016****15. COMMITMENTS UNDER OPERATING LEASES**

At 31st March 2016 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 year	<b>182,995</b>	1,297
Within 2 to 5 years	<b>8,323</b>	190,916
	<b><u>191,318</u></b>	<b><u>192,213</u></b>

**16. RELATED PARTY TRANSACTIONS**

Related party loans disclosed in note 12 to the financial statements comprise a loan of £Nil (2015 - £200,000) from the employee benefit trust which bears interest at 2.75% over base rate per annum and is repayable within one year. £200,000 was written off by the trust during the year.

Interest payable during the year on the above loan in aggregate was £Nil (2015 - £12,386).

The company was charged rent of £180,000 (2015 - £180,000) by the company's pension scheme during the year.

During the year the company purchased services to the value of £76,176 (2015 - £111,461) from Kronos Management Limited, a company in which M.S. Preen and close family members of W.D. Galloway are directors and shareholders. £Nil (2015 - £20,000) was outstanding at the year end and is included in trade creditors.

In addition the company has borrowed £60,000 from Kronos Management Limited. This loan is interest free, repayable on demand and outstanding at the year end.

**17. SHARE CAPITAL****Authorised share capital:**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
100,000 Ordinary shares of £0.01 each	<b><u>1,000</u></b>	<b><u>1,000</u></b>

**Allotted, called up and fully paid:**

	<b>2016</b>		<b>2015</b>
	<b>No</b>	<b>£</b>	<b>No</b>
Ordinary shares of £0.01 each	<b><u>7,444</u></b>	<b><u>74</u></b>	<b><u>7,444</u></b>
			<b><u>74</u></b>

**MARTEK CONTRACTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2016**

**18. RESERVES**

	Capital redemption reserve £	Profit and loss account £
Balance brought forward	33	444,092
Profit for the year	—	242,596
Balance carried forward	<u>33</u>	<u>686,688</u>

**19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Operating profit	315,698	230,406
Depreciation	23,415	24,716
Increase in stocks	(26,735)	(122,236)
(Increase)/decrease in debtors	(12,959)	262,177
Decrease in creditors	(177,571)	(167,175)
Net cash inflow from operating activities	<u>121,848</u>	<u>227,888</u>

**20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2016 £	2015 £
Increase in cash in the period	28,567	182,651
Net (inflow) from other short-term creditors	<u>(60,000)</u>	<u>—</u>
Change in net debt resulting from cash flows	(31,433)	182,651
Write off related party loan	200,000	200,000
Movement in net debt in the period	168,567	382,651
Net debt at 1 April 2015	(501,944)	(884,595)
Net debt at 31 March 2016	<u>(333,377)</u>	<u>(501,944)</u>

**MARTEK CONTRACTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2016**

**21. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.4.2015 £	Cash flows £	Other changes £	At 31.3.2016 £
Net cash:				
Cash in hand and at bank	8,559	1,132	—	9,691
Overdrafts	(110,503)	27,435	—	(83,068)
	<u>(101,944)</u>	<u>28,567</u>	<u>—</u>	<u>(73,377)</u>
Debt:				
Debt due within 1 year	(200,000)	(60,000)	200,000	(60,000)
Debt due after 1 year	(200,000)	—	—	(200,000)
	<u>(400,000)</u>	<u>(60,000)</u>	<u>200,000</u>	<u>(260,000)</u>
Net debt	<u>(501,944)</u>	<u>(31,433)</u>	<u>200,000</u>	<u>(333,377)</u>