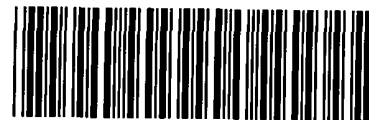


Registered Number
01621476

MARTEK CONTRACTS LIMITED
DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

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

TUESDAY



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COMPANIES HOUSE

MARTEK CONTRACTS LIMITED

STRATEGIC REPORT

YEAR ENDED 31ST MARCH 2017

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 51% (2016 - 4%) 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 has led to a growth in core operating profit of nearly £250k.

The company has continued to see a trend of more profitable contracts coming on stream at the end of this financial year and has a number of advantageous contracts due to start in the next financial year.

This report was approved by the board of directors on 6th October 2017 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'W.D. Galloway', with a long horizontal stroke extending to the right.

W.D. Galloway
Company Secretary

MARTEK CONTRACTS LIMITED**DIRECTORS' REPORT****YEAR ENDED 31ST MARCH 2017**

The directors present their report and the financial statements of the company for the year ended 31st March 2017.

Principal activities

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

Directors

The directors who served the company during the year were as follows:

M.S. Preen
W.D. Galloway
S. Ivin

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Disclosure of information in the 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.

Directors' responsibilities statement

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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

MARTEK CONTRACTS LIMITED**DIRECTORS' REPORT** *(continued)***YEAR ENDED 31ST MARCH 2017**

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.

Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have 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.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 6th October 2017 and signed on behalf of the board by:



W.D. Galloway
Company Secretary

MARTEK CONTRACTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MARTEK CONTRACTS LIMITED
YEAR ENDED 31ST MARCH 2017

We have audited the financial statements of Martek Contracts Limited for the year ended 31st March 2017 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

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 31st March 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.

MARTEK CONTRACTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MARTEK CONTRACTS LIMITED (continued)
YEAR ENDED 31ST MARCH 2017

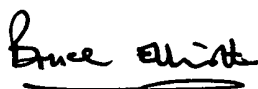
Opinion on other matter prescribed by the Companies Act 2006

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.



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

6th October 2017

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

MARTEK CONTRACTS LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 31ST MARCH 2017

	Note	2017 £	2016 £
Turnover	4	8,690,352	5,772,128
Cost of sales		(6,982,352)	(4,414,397)
Gross profit		1,708,000	1,357,731
Administrative expenses		(1,399,004)	(1,296,190)
Other operating income	5	28,012	254,157
Operating profit	6	337,008	315,698
Interest payable and similar expenses	10	(3,175)	(3,262)
Profit before taxation		333,833	312,436
Tax on profit	11	(75,877)	(69,840)
Profit for the financial year and total comprehensive income		257,956	242,596
Dividends paid and payable	12	(11,000)	—
Retained earnings at the start of the year		686,688	444,092
Retained earnings at the end of the year		933,644	686,688

All the activities of the company are from continuing operations.

MARTEK CONTRACTS LIMITED
STATEMENT OF FINANCIAL POSITION
31ST MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	110,569	137,958
Current assets			
Stocks	14	133,004	230,150
Debtors	15	1,973,170	1,545,773
Cash at bank and in hand		44,298	9,691
		<u>2,150,472</u>	<u>1,785,614</u>
Creditors: Amounts falling due within one year	17	<u>(1,054,752)</u>	<u>(1,020,695)</u>
Net current assets		<u>1,095,720</u>	<u>764,919</u>
Total assets less current liabilities		<u>1,206,289</u>	<u>902,877</u>
Creditors: Amounts falling due after more than one year	18	(257,810)	(200,000)
Provisions for liabilities			
Deferred taxation	20	(14,728)	(16,082)
Net assets		<u>933,751</u>	<u>686,795</u>
Capital and reserves			
Called up share capital	23	74	74
Capital redemption reserve	24	33	33
Profit and loss account	24	933,644	686,688
Members funds		<u>933,751</u>	<u>686,795</u>

These financial statements were approved by the board of directors and authorised for issue on 6th October 2017, and are signed on behalf of the board by:



W.D. Galloway
Director

Company registration number: 01621476

MARTEK CONTRACTS LIMITED**STATEMENT OF CASH FLOWS****YEAR ENDED 31ST MARCH 2017**

	Note	2017 £	2016 £
Cash generated from operations	25	178,553	121,848
Interest paid		(3,175)	(3,262)
Tax paid		(61,433)	(56,019)
Net cash from operating activities		<u>113,945</u>	<u>62,567</u>
Cash flows from investing activities			
Purchase of tangible assets		—	(94,000)
Net cash used in investing activities		<u>—</u>	<u>(94,000)</u>
Cash flows from financing activities			
Proceeds from borrowings		—	60,000
Repayments of borrowings		(60,000)	—
Proceeds from finance leases		84,600	—
Payments of finance lease liabilities		(9,870)	—
Dividends paid		(11,000)	—
Net cash from financing activities		<u>3,730</u>	<u>60,000</u>
Net increase in cash and cash equivalents		117,675	28,567
Cash and cash equivalents at beginning of year		(73,377)	(101,944)
Cash and cash equivalents at end of year	16	<u>44,298</u>	<u>(73,377)</u>

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is High Point Mill, King Henry's Drive, New Addington, CR0 0AE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1st April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 28.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and 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 for 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.

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2017

3. Accounting policies (continued)

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its 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 measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2017

3. Accounting policies (continued)

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2017	2016
	£	£
Construction contracts	<u>8,690,352</u>	<u>5,772,128</u>

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2017

4. Turnover (continued)

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2017	2016
	£	£
United Kingdom	8,485,636	5,348,618
Overseas	204,716	423,510
	<u>8,690,352</u>	<u>5,772,128</u>

5. Other operating income

	2017	2016
	£	£
Release of EBT loan	–	211,893
Other operating income	28,012	42,264
	<u>28,012</u>	<u>254,157</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	27,389	23,415
Foreign exchange differences	10,746	5,606

7. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>5,000</u>	<u>5,000</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>13,000</u>	<u>13,000</u>

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to 56 (2016: 54).

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2017

8. Staff costs (continued)

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	2,011,941	1,727,566
Social security costs	220,201	187,446
Other pension costs	94,406	90,031
	<u>2,326,548</u>	<u>2,005,043</u>

9. Directors' remuneration

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

	2017	2016
	£	£
Remuneration	251,421	227,440
Company contributions to defined contribution pension plans	1,858	366
	<u>253,279</u>	<u>227,806</u>

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

	2017	2016
	No	No
Defined contribution plans	<u>2</u>	<u>2</u>

Remuneration of the highest paid director in respect of qualifying services:

	2017	2016
	£	£
Aggregate remuneration	111,626	95,081
Company contributions to defined contribution pension plans	1,858	366
	<u>113,484</u>	<u>95,447</u>

10. Interest payable and similar expenses

	2017	2016
	£	£
Interest on banks loans and overdrafts	2,261	3,262
Interest on obligations under finance leases and hire purchase contracts	914	—
	<u>3,175</u>	<u>3,262</u>

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2017

11. Tax on profit**Major components of tax expense**

	2017 £	2016 £
Current tax:		
UK current tax expense	77,231	61,433
Deferred tax:		
Origination and reversal of timing differences	(1,354)	8,407
Tax on profit	<u>75,877</u>	<u>69,840</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	333,833	312,436
Profit on ordinary activities by rate of tax	66,766	62,488
Effect of expenses not deductible for tax purposes	6,473	6,047
Effect of capital allowances and depreciation	3,992	(7,102)
Deferred tax	(1,354)	8,407
Tax on profit	<u>75,877</u>	<u>69,840</u>

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2017 £	2016 £
Equity dividends on ordinary shares	<u>11,000</u>	<u>—</u>

Dividends of £10,852 were paid to the directors W.D. Galloway, M.S. Preen and S. Ivin.

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2017

13. Tangible assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1.4.2016 and 31.3.2017	<u>158,270</u>	<u>449,314</u>	<u>607,584</u>
Depreciation			
At 1st April 2016	141,994	327,632	469,626
Charge for the year	<u>13,189</u>	<u>14,200</u>	<u>27,389</u>
At 31st March 2017	<u>155,183</u>	<u>341,832</u>	<u>497,015</u>
Carrying amount			
At 31st March 2017	<u>3,087</u>	<u>107,482</u>	<u>110,569</u>
At 31st March 2016	<u>16,276</u>	<u>121,682</u>	<u>137,958</u>

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £
At 31st March 2017	<u>84,600</u>
At 31st March 2016	<u>—</u>

14. Stocks

	2017 £	2016 £
Work in progress	—	75,865
Finished goods	<u>133,004</u>	<u>154,285</u>
	<u>133,004</u>	<u>230,150</u>

15. Debtors

	2017 £	2016 £
Trade debtors	1,218,684	810,819
Prepayments and accrued income	11,304	64,376
Amounts recoverable on contracts	735,000	667,505
Other debtors	8,182	3,073
	<u>1,973,170</u>	<u>1,545,773</u>

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2017

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2017	2016
	£	£
Cash at bank and in hand	44,298	9,691
Bank overdrafts	—	(83,068)
	<u>44,298</u>	<u>(73,377)</u>

17. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	—	83,068
Payments received on account	140,000	94,506
Trade creditors	547,653	350,748
Accruals and deferred income	70,283	171,579
Corporation tax	77,231	61,433
Social security and other taxes	187,615	111,270
Obligations under finance leases and hire purchase contracts	16,920	—
Other creditors	15,050	148,091
	<u>1,054,752</u>	<u>1,020,695</u>

The bank loans and overdrafts disclosed under creditors due within one year are secured by the company.

The obligations under finance leases and hire purchase contracts disclosed under creditors due within one year are secured by the company.

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

	2017	2016
	£	£
Obligations under finance leases and hire purchase contracts	57,810	—
Other creditors	200,000	200,000
	<u>257,810</u>	<u>200,000</u>

The obligations under finance leases and hire purchase contracts disclosed under creditors due after more than one year are secured by the company.

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2017

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2017	2016
	£	£
Not later than 1 year	16,920	—
Later than 1 year and not later than 5 years	57,810	—
	<u>74,730</u>	<u>—</u>

20. Provisions

	Deferred tax (note 21) £
At 1st April 2016	16,082
Charge against provision	(1,354)
At 31st March 2017	<u>14,728</u>

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2017	2016
	£	£
Included in provisions (note 20)	<u>14,728</u>	<u>16,082</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017	2016
	£	£
Accelerated capital allowances	<u>14,728</u>	<u>16,082</u>

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £94,406 (2016: £90,031).

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2017

23. Called up share capital**Authorised share capital**

	2017		2016	
	No	£	No	£
Ordinary shares of £0.01 each	<u>100,000</u>	<u>1,000</u>	<u>100,000</u>	<u>1,000</u>

Issued, called up and fully paid

	2017		2016	
	No	£	No	£
Ordinary shares of £0.01 each	<u>7,444</u>	<u>74</u>	<u>7,444</u>	<u>74</u>

24. Reserves

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

25. Cash generated from operations

	2017	2016
	£	£
Profit for the financial year	257,956	242,596
<i>Adjustments for:</i>		
Depreciation of tangible assets	27,389	23,415
Interest payable and similar expenses	3,175	3,262
Tax on profit	75,877	69,840
Accrued (income)/expenses	(101,296)	47,204
<i>Changes in:</i>		
Stocks	97,146	(26,735)
Trade and other debtors	(427,397)	(15,784)
Trade and other creditors	245,703	(221,950)
	<u>178,553</u>	<u>121,848</u>

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2017

26. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	4,057	182,995
Later than 1 year and not later than 5 years	13,867	8,323
Later than 5 years	200,000	—
	<u>217,924</u>	<u>191,318</u>

27. Related party transactions

The company was charged rent of £180,000 (2016 - £180,000) by the company's pension scheme during the year.

During the year the company purchased services to a value of £77,375 (2016 - £76,176) from Kronos Management Limited, a company in which a close family member of W.D. Galloway is a director and shareholder. There was no outstanding balance at the year end.

28. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1st April 2015.

No transitional adjustments were required in equity or profit or loss for the year.