

MARTEK CONTRACTS LIMITED
DIRECTORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019



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

MARTEK CONTRACTS LIMITED**DIRECTORS' REPORT****YEAR ENDED 31ST MARCH 2019**

The directors present their report and the financial statements of the company for the year ended 31st March 2019.

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

Directors' responsibilities statement

The directors are responsible for preparing 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 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.

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.

MARTEK CONTRACTS LIMITED

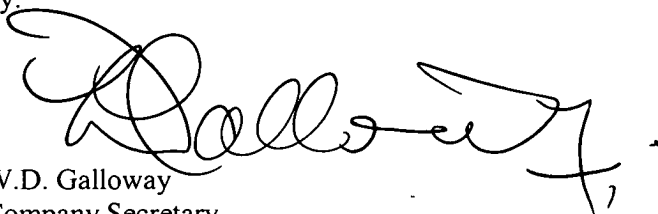
DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MARCH 2019

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 24th September 2019 and signed on behalf of the board by:

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

W.D. Galloway
Company Secretary

MARTEK CONTRACTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MARTEK CONTRACTS LIMITED
YEAR ENDED 31ST MARCH 2019

Opinion

We have audited the financial statements of Martek Contracts Limited (the 'company') for the year ended 31st March 2019 which comprise the statement of income and retained earnings, statement of financial position, 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 FRS 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 31st March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 auditor's 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 UK, including the FRC'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

MARTEK CONTRACTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MARTEK CONTRACTS LIMITED (continued)
YEAR ENDED 31ST MARCH 2019

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

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, 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.

MARTEK CONTRACTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MARTEK CONTRACTS LIMITED (continued)
YEAR ENDED 31ST MARCH 2019

Auditor's 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 auditor's 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 auditor's 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 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.



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

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

24th September 2019

MARTEK CONTRACTS LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 31ST MARCH 2019

	Note	2019 £	2018 £
Turnover	4	7,337,524	7,525,608
Cost of sales		(5,613,531)	(5,605,627)
Gross profit		1,723,993	1,919,981
Administrative expenses		(1,467,586)	(1,550,923)
Operating profit	5	256,407	369,058
Interest receivable and similar income	9	6,188	2,800
Interest payable and similar expenses	10	(6,389)	(5,604)
Profit before taxation		256,206	366,254
Tax on profit	11	(56,217)	(80,968)
Profit for the financial year and total comprehensive income		199,989	285,286
Dividends paid and payable	12	(40,000)	(100,000)
Retained earnings at the start of the year		1,118,930	933,644
Retained earnings at the end of the year		1,278,919	1,118,930

All the activities of the company are from continuing operations.

MARTEK CONTRACTS LIMITED
STATEMENT OF FINANCIAL POSITION
31ST MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	214,035	152,561
Current assets			
Stocks	14	179,559	131,615
Debtors	15	2,191,707	1,276,097
Cash at bank and in hand		42,368	1,339,994
		<u>2,278,634</u>	<u>2,747,706</u>
Creditors: amounts falling due within one year	16	<u>(1,067,453)</u>	<u>(1,490,882)</u>
Net current assets		1,346,181	1,256,824
Total assets less current liabilities		1,560,216	1,409,385
Creditors: amounts falling due after more than one year	17	(244,584)	(266,314)
Provisions	19	<u>(36,606)</u>	<u>(24,034)</u>
Net assets		<u>1,279,026</u>	<u>1,119,037</u>
Capital and reserves			
Called up share capital	22	74	74
Capital redemption reserve	23	33	33
Profit and loss account	23	1,278,919	1,118,930
Shareholders' funds		<u>1,279,026</u>	<u>1,119,037</u>

These financial statements were approved by the board of directors and authorised for issue on 24th September 2019, 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 2019**

	Note	2019 £	2018 £
Cash generated from operations	24	(1,097,964)	1,417,817
Interest paid		(6,389)	(5,604)
Interest received		6,188	2,800
Tax paid		(71,662)	(77,231)
Net cash (used in)/from operating activities		<u>(1,169,827)</u>	<u>1,337,782</u>
Cash flows from investing activities			
Purchase of tangible assets		(82,533)	(60,284)
Proceeds from sale of tangible assets		—	2,052
Net cash used in investing activities		<u>(82,533)</u>	<u>(58,232)</u>
Cash flows from financing activities			
Proceeds from borrowings		—	175,000
Repayments of borrowings		(57,643)	(41,935)
New finance lease liabilities		70,472	—
Payments of finance lease liabilities		(18,095)	(16,919)
Dividends paid		(40,000)	(100,000)
Net cash (used in)/from financing activities		<u>(45,266)</u>	<u>16,146</u>
Net (decrease)/increase in cash and cash equivalents		(1,297,626)	1,295,696
Cash and cash equivalents at beginning of year		1,339,994	44,298
Cash and cash equivalents at end of year		<u>42,368</u>	<u>1,339,994</u>

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2019

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 Henrys 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.

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

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 and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

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.

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2019

3. Accounting policies (continued)

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

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	- over 3 to 10 years straight line
Equipment	

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.

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.

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.

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2019

3. Accounting policies (continued)

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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:

	2019	2018
	£	£
Construction contracts	<u>7,337,524</u>	<u>7,525,608</u>

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:

	2019	2018
	£	£
United Kingdom	6,536,565	7,270,061
Overseas	<u>800,959</u>	<u>255,547</u>
	<u>7,337,524</u>	<u>7,525,608</u>

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019	2018
	£	£
Depreciation of tangible assets	21,059	18,292
Gains on disposal of tangible assets	—	(2,052)
Foreign exchange differences	<u>(3,873)</u>	<u>(6,441)</u>

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2019

6. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>6,500</u>	<u>6,500</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>21,902</u>	<u>18,500</u>

7. Staff costs

The average number of persons employed by the company during the year amounted to 63 (2018: 59).

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

	2019	2018
	£	£
Wages and salaries	2,218,822	2,151,100
Social security costs	238,083	231,532
Other pension costs	68,549	57,173
	<u>2,525,454</u>	<u>2,439,805</u>

8. Directors' remuneration

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

	2019	2018
	£	£
Remuneration	150,117	258,356
Company contributions to defined contribution pension plans	806	1,695
	<u>150,923</u>	<u>260,051</u>

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

	2019	2018
	No.	No.
Defined contribution plans	<u>1</u>	<u>1</u>

9. Interest receivable and similar income

	2019	2018
	£	£
Interest on loans and receivables	5,600	2,800
Interest on cash and cash equivalents	588	—
	<u>6,188</u>	<u>2,800</u>

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2019

10. Interest payable and similar expenses

	2019	2018
	£	£
Interest on banks loans and overdrafts	4,451	4,036
Interest on obligations under finance leases and hire purchase contracts	1,938	1,568
	<u>6,389</u>	<u>5,604</u>

11. Tax on profit

Major components of tax expense

	2019	2018
	£	£
Current tax:		
UK current tax expense	43,645	71,662
Deferred tax:		
Origination and reversal of timing differences	12,572	9,306
Tax on profit	<u>56,217</u>	<u>80,968</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019	2018
	£	£
Profit on ordinary activities before taxation	256,206	366,254
Profit on ordinary activities by rate of tax	48,679	69,588
Effect of expenses not deductible for tax purposes	7,537	11,529
Effect of capital allowances and depreciation	1	(149)
Tax on profit	<u>56,217</u>	<u>80,968</u>

12. Dividends

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

	2019	2018
	£	£
Equity dividends on ordinary shares	<u>40,000</u>	<u>100,000</u>

Dividends of £32,000 (2018 - £80,000) were paid to the directors and close family members.

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2019

13. Tangible assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1st April 2018	158,270	425,749	584,019
Additions	–	82,533	82,533
At 31st March 2019	<u>158,270</u>	<u>508,282</u>	<u>666,552</u>
Depreciation			
At 1st April 2018	158,270	273,188	431,458
Charge for the year	–	21,059	21,059
At 31st March 2019	<u>158,270</u>	<u>294,247</u>	<u>452,517</u>
Carrying amount			
At 31st March 2019	<u>–</u>	<u>214,035</u>	<u>214,035</u>
At 31st March 2018	<u>–</u>	<u>152,561</u>	<u>152,561</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 2019	<u>142,851</u>
At 31st March 2018	<u>75,200</u>

14. Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>179,559</u>	<u>131,615</u>

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2019

15. Debtors

	2019	2018
	£	£
Trade debtors	1,138,457	896,976
Prepayments and accrued income	60,344	24,881
Amounts recoverable on contracts	870,000	208,000
Other debtors	122,906	146,240
	<u>2,191,707</u>	<u>1,276,097</u>

The debtors above include the following amounts falling due after more than one year:

	2019	2018
	£	£
Other debtors	<u>82,320</u>	<u>128,000</u>

16. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	60,011	57,641
Payments received on account	100,000	59,000
Trade creditors	347,827	478,990
Accruals and deferred income	115,141	66,965
Corporation tax	43,645	71,662
Social security and other taxes	258,087	417,259
Obligations under finance leases and hire purchase contracts	31,015	16,921
Other creditors	111,727	322,444
	<u>1,067,453</u>	<u>1,490,882</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.

17. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Bank loans and overdrafts	15,411	75,424
Obligations under finance leases and hire purchase contracts	79,173	40,890
Other creditors	150,000	150,000
	<u>244,584</u>	<u>266,314</u>

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2019

17. Creditors: amounts falling due after more than one year (continued)

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

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

18. Finance leases and hire purchase contracts

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

	2019	2018
	£	£
Not later than 1 year	31,015	16,921
Later than 1 year and not later than 5 years	79,173	40,890
	<u>110,188</u>	<u>57,811</u>

19. Provisions

	Deferred tax (note 20)
	£
At 1st April 2018	24,034
Additions	12,572
At 31st March 2019	<u>36,606</u>

20. Deferred tax

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

	2019	2018
	£	£
Included in provisions (note 19)	<u>36,606</u>	<u>24,034</u>

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

	2019	2018
	£	£
Accelerated capital allowances	<u>36,606</u>	<u>24,034</u>

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31ST MARCH 2019

21. Employee benefits**Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £68,549 (2018: £57,173).

22. Called up share capital**Issued, called up and fully paid**

	2019		2018	
	No	£	No	£
Ordinary shares of £0.01 each	<u>7,444</u>	<u>74</u>	<u>7,444</u>	<u>74</u>

23. 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.

24. Cash generated from operations

	2019 £	2018 £
Profit for the financial year	199,989	285,286
<i>Adjustments for:</i>		
Depreciation of tangible assets	21,059	18,292
Interest receivable and similar income	(6,188)	(2,800)
Interest payable and similar expenses	6,389	5,604
Gains on disposal of tangible assets	—	(2,052)
Tax on profit	56,217	80,968
Accrued expenses/(income)	48,176	(3,318)
<i>Changes in:</i>		
Stocks	(47,944)	1,389
Trade and other debtors	(915,610)	697,073
Trade and other creditors	(460,052)	337,375
	<u>(1,097,964)</u>	<u>1,417,817</u>

MARTEK CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31ST MARCH 2019

25. Related party transactions

The company was charged rent of £200,000 (2018 - £200,000) by the company's pension scheme during the year.

During the year the company purchased services to a value of £102,079 (2018 - £78,833) from Kronos Management Limited, a company under common control. There was no outstanding balance at the year end.