

COMPANY REGISTRATION NUMBER 01664145

FOREST TRAFFIC SERVICES LIMITED

ABBREVIATED ACCOUNTS

31 MARCH 2015

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FOREST TRAFFIC SERVICES LIMITED

ABBREVIATED ACCOUNTS

Year ended 31 March 2015

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FOREST TRAFFIC SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr A R Williams
Mr D J Williams
Mr R J Coppock
Mrs B Sweet-Williams
Mr A E Lane

Company secretary

Mrs T D Evans

Registered office

Forest House
Broad Quay Road
Felnex Industrial Estate
Newport
South Wales
NP19 4PN

Auditor

Kilsby & Williams LLP
Chartered Accountants
& Statutory Auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

Bankers

National Westminster Bank plc
96 Queen Street
Cardiff
CF10 2GR

Solicitors

Berry Smith
Haywood House
Dumfries Place
Cardiff
CF10 3GA

FOREST TRAFFIC SERVICES LIMITED

STRATEGIC REPORT

Year ended 31 March 2015

The directors present their strategic report for the year ended 31 March 2015.

Review of the business

The Company provides temporary traffic management services and solutions to the construction industry from locations across Wales and Southern England. The business conducted is derived from three principal sources - utility companies, local and central governments.

The Company is typically employed as a subcontractor to the main contractor on new build infrastructure projects and on-going repair, maintenance and improvement (RMI) of existing infrastructure.

The Company's objective is to be the preferred choice for traffic management services and solutions for existing and new customers, delivering high quality service and performance, whilst ensuring and preserving the health and safety of all our employees.

Results & Performance

The results for the financial period under review are set out on page 8.

Revenue levels were higher than expected due to positive workloads and increased expenditure through key contracts, giving rise to higher profitability during the period.

The new financial year has seen improved prospects compared with the previous year and expects significant growth as the year progresses.

Business Environment

The traffic management industry can, in general, be split into two broad categories, fast road work, known as 12AB work, and urban and rural work, known as 12D work, with most traffic management companies choosing to focus on one category. The company, however, operates in both categories, following the strategy detailed below to maximise opportunity and growth and mitigate the workflow volatility risk.

In recent years reductions in government spending have impacted most severely on new build projects, with spending on RMI remaining robust. Whilst this has clearly had an impact on the size of the market place for traffic management services, RMI work comprises a larger percentage of the industry and has thus mitigated the reduction. Additionally, it is difficult for RMI work to be delayed, as to do so, would result in a deterioration of the infrastructure network, resulting in RMI spending being more robust and predictable in nature.

Strategy

The Company's success is dependent on the proper selection, pricing, delivery and on-going management of the contracts it accepts, to maximise profitability and mitigate the risk of workflow volatility. Forest actively pursues contracts in both market categories to exploit our regional capabilities and to maintain a diversified portfolio of contracts thereby mitigating the workflow volatility risk.

Key Performance Indicators (KPI's)

We have made further significant progress throughout the year in relation to key elements of our strategy. The Board monitors the progress of the Company by reference to the following KPI's:

- Financial - reviewing and maximising contract profitability
- Financial - maximising cash generation
- Financial - continual review and alignment of costs
- Employee satisfaction
- Customer satisfaction
- Service - % of deliveries on time and in full
- Service - right first time with emphasis on safety, quality and environmental performance

Principal Risks & Uncertainties

The main risk facing the Company is the volatility and disruption in government spending on infrastructure. The Company has in place a strategy that actively seeks to mitigate and manage this

FOREST TRAFFIC SERVICES LIMITED

STRATEGIC REPORT *(continued)*

Year ended 31 March 2015

risk and any consequences of a reduction in workload within its control.

Future Developments

In the current economic climate, with high workload and improved pricing, the business strategy and model have provided a firm foundation for growth within the existing regions of operation and exploitation of the many opportunities available in the industry.



Signed on behalf of the directors

Mr A R Williams

Director

Approved by the directors on 31/03/2015

FOREST TRAFFIC SERVICES LIMITED

DIRECTORS' REPORT

Year ended 31 March 2015

The directors present their report and the financial statements of the company for the year ended 31 March 2015.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £377,035. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise balance balances, an invoice discounting facility, trade debtors, trade creditors and finance leases. The main purpose of these instruments is to raise funds and finance the company's operations. Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding through flexible use of the invoice discounting facility. The company manages the liquidity risk by ensuring there are sufficient funds to meet contractual payments.

The company is a lessee in respect of finance leased assets with fixed monthly payments. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by internal policies concerning the credit offered to customers and regular monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring funds are available to meet obligations as they fall due.

DIRECTORS

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

Mr A R Williams
Mr D J Williams
Mr R J Coppock
Mrs B Sweet-Williams
Mr A E Lane

Mr A E Lane was appointed as a director on 27 June 2014.

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;

FOREST TRAFFIC SERVICES LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 31 March 2015

- 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.

STRATEGIC REPORT

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

AUDITOR

Kilsby & Williams LLP 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 on behalf of the directors



Mr A R Williams
Director

Approved by the directors on 31/03/2015

INDEPENDENT AUDITOR'S REPORT TO FOREST TRAFFIC SERVICES LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes, together with the financial statements of Forest Traffic Services Limited for the year ended 31 March 2015 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Noel Williams (Senior Statutory Auditor)
For and on behalf of
Kilsby & Williams LLP
Chartered Accountants & Statutory Auditor

Cedar House
Hazell Drive
Newport
NP10 8FY


4/8/2015

FOREST TRAFFIC SERVICES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

Year ended 31 March 2015

| | Note | 2015 £ | 2014 £ |
|---|------|-----------------------|-------------------------|
| TURNOVER | | 15,636,842 | 15,650,885 |
| Cost of Sales and Other operating income | | (11,323,544) | (12,051,866) |
| Administrative expenses | | (3,706,951) | (3,813,217) |
| OPERATING PROFIT/(LOSS) | 2 | <u>606,347</u> | <u>(214,198)</u> |
| Attributable to: | | | |
| Operating profit/(loss) before exceptional items | | 726,785 | (214,198) |
| Exceptional items | 2 | <u>(120,438)</u> | <u>—</u> |
| | | 606,347 | (214,198) |
| Interest payable and similar charges | 5 | (115,269) | (123,273) |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | <u>491,078</u> | <u>(337,471)</u> |
| Tax on profit/(loss) on ordinary activities | 6 | (114,043) | 46,422 |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | | <u><u>377,035</u></u> | <u><u>(291,049)</u></u> |

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 19 form part of these abbreviated accounts.

FOREST TRAFFIC SERVICES LIMITED

ABBREVIATED BALANCE SHEET

31 March 2015

| | Note | 2015 £ | 2014 £ |
|--|------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | <u>1,272,549</u> | <u>1,277,595</u> |
| CURRENT ASSETS | | | |
| Stocks | 8 | 235,633 | 206,806 |
| Debtors | 9 | 3,924,898 | 4,324,366 |
| Cash at bank and in hand | | <u>201,645</u> | <u>181,023</u> |
| | | 4,362,176 | 4,712,195 |
| CREDITORS: Amounts falling due within one year | 10 | <u>(3,888,192)</u> | <u>(4,499,933)</u> |
| NET CURRENT ASSETS | | <u>473,984</u> | <u>212,262</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,746,533</u> | <u>1,489,857</u> |
| CREDITORS: Amounts falling due after more than one year | 11 | <u>(493,908)</u> | <u>(648,565)</u> |
| PROVISIONS FOR LIABILITIES | | | |
| Deferred taxation | 13 | <u>(80,550)</u> | <u>(46,252)</u> |
| | | <u>1,172,075</u> | <u>795,040</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 16 | 688 | 688 |
| Profit and loss account | 17 | <u>1,171,387</u> | <u>794,352</u> |
| SHAREHOLDERS' FUNDS | 18 | <u>1,172,075</u> | <u>795,040</u> |

These abbreviated accounts have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated accounts were approved by the directors and authorised for issue on 31/03/2015, and are signed on their behalf by:



Mr A R Williams

Company Registration Number: 01664145

The notes on pages 10 to 19 form part of these abbreviated accounts.

FOREST TRAFFIC SERVICES LIMITED

CASH FLOW STATEMENT

Year ended 31 March 2015

| | | 2015 | 2014 |
|---|------|-----------|-----------|
| | Note | £ | £ |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | 19 | 626,650 | 814,870 |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | | |
| Interest paid | | (68,216) | (86,916) |
| Interest element of hire purchase | | (47,053) | (36,357) |
| NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | (115,269) | (123,273) |
| TAXATION | | 80,955 | (80,954) |
| CAPITAL EXPENDITURE | | | |
| Payments to acquire tangible fixed assets | | (8,647) | (146,783) |
| Receipts from sale of fixed assets | | — | (156) |
| NET CASH OUTFLOW FROM CAPITAL EXPENDITURE | | (8,647) | (146,939) |
| CASH INFLOW BEFORE FINANCING | | 583,689 | 463,704 |
| FINANCING | | | |
| Repayment of long-term amounts owed to group undertakings | | (214,392) | (190,811) |
| Capital element of hire purchase | | (348,675) | (341,450) |
| NET CASH OUTFLOW FROM FINANCING | | (563,067) | (532,261) |
| INCREASE/(DECREASE) IN CASH | 19 | 20,622 | (68,557) |

The notes on pages 10 to 19 form part of these abbreviated accounts.

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

The turnover shown in the profit and loss account is derived from ordinary activities and represents the value of work done in the financial year, exclusive of Value Added Tax.

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 lease term |
| Plant & Machinery | - | Over 2-8 years |
| Fixtures & Fittings | - | Over 3 years |
| Motor Vehicles | - | Over 3-5 years |

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stocks consist of signs, cones and other sundry traffic management items purchased for minor works contracts. The value is calculated on a percentage of cost of sales based on the value of minor works contracts performed during the year.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

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

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:

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2015

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.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Invoice discounting

The company has in place an invoice discount facility based on the value of trade receivables. Under this arrangement the company has retained both the credit and late payment risk associated with the receivables. As the company has retained substantially all the risk and rewards of ownership of the receivables, it continues to recognise the receivables in the balance sheet with advances from the facility provider treated as a separate liability.

The expenses associated with this facility are included within interest payable within the profit & loss account.

Classification of invoice discounting facility in the cash flow statement

FRS 1 does not provide guidance on the treatment of factored debts in a cash flow statement. The invoice discounting facility factors debts with recourse, with the advances from the factor treated as other creditors in the balance sheet. FRS 1 requires cash flows to be analysed under the standard headings according to the substance of the transactions that give rise to them. Cash inflows and outflows relating to the invoice discounting facility are assessed to be an operating cash flow. Cash flows from the receivables are also included within operating cash flows as if the factoring had not been entered into. Management feel this method of presentation best reflects the substance of the relationship entered into.

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2015

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

| | 2015 | 2014 |
|--|---------|---------|
| | £ | £ |
| Depreciation of owned fixed assets | 139,404 | 150,764 |
| Depreciation of assets held under hire purchase agreements | 192,709 | 122,023 |
| Loss on disposal of fixed assets | 1,788 | 4,692 |
| Auditor's remuneration | | |
| - as auditor | 6,750 | 6,750 |
| Depot closure costs | 120,438 | — |

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

| | 2015 | 2014 |
|--------------------------------|------------|------------|
| | No | No |
| Number of production staff | 170 | 173 |
| Number of administrative staff | 47 | 31 |
| Number of management staff | 9 | 10 |
| | <u>226</u> | <u>214</u> |

The aggregate payroll costs of the above were:

| | 2015 | 2014 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 7,834,060 | 8,192,128 |
| Social security costs | 604,535 | 628,661 |
| Other pension costs | 4,609 | 4,750 |
| | <u>8,443,204</u> | <u>8,825,539</u> |

4. DIRECTORS' REMUNERATION

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

| | 2015 | 2014 |
|--|----------------|---------------|
| | £ | £ |
| Aggregate remuneration | 178,121 | 41,372 |
| Value of company pension contributions to money purchase schemes | 4,609 | 4,750 |
| | <u>182,730</u> | <u>46,122</u> |

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

| | 2015 | 2014 |
|------------------------|----------|----------|
| | No | No |
| Money purchase schemes | <u>1</u> | <u>1</u> |

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2015

5. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2015 | 2014 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Interest payable on bank borrowing | 32,386 | 34,267 |
| Finance charges | 47,053 | 36,357 |
| Other similar charges payable | 35,830 | 52,649 |
| | <u>115,269</u> | <u>123,273</u> |

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

| | 2015 | 2014 |
|--|----------------|-----------------|
| | £ | £ |
| Current tax: | | |
| In respect of the year: | | |
| UK Corporation tax based on the results for the year at 21% (2014 - 20%) | 79,745 | (80,954) |
| Total current tax | <u>79,745</u> | <u>(80,954)</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences (note 13) | | |
| Capital allowances | 35,152 | 48,411 |
| Losses | - | (14,047) |
| Other | (854) | 168 |
| Total deferred tax (note 13) | <u>34,298</u> | <u>34,532</u> |
| Tax on profit/(loss) on ordinary activities | <u>114,043</u> | <u>(46,422)</u> |

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2014 - 20%).

| | 2015 | 2014 |
|---|----------------|------------------|
| | £ | £ |
| Profit/(loss) on ordinary activities before taxation | <u>491,078</u> | <u>(337,471)</u> |
| Profit/(loss) on ordinary activities by rate of tax | 103,126 | (67,494) |
| Expenses not deductible for tax purposes | 7,895 | 16,850 |
| Capital allowances for period in excess of depreciation | (32,968) | (34,000) |
| Utilisation of tax losses | - | 84,504 |
| Marginal relief/rate differences | (915) | (80,954) |
| Sundry tax adjusting items | 2,607 | 140 |
| Total current tax (note 6(a)) | <u>79,745</u> | <u>(80,954)</u> |

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2015

7. TANGIBLE FIXED ASSETS

| | Leasehold Property £ | Plant & Machinery £ | Office equipment £ | Motor Vehicles £ | Total £ |
|-----------------------|----------------------------|---------------------------|--------------------------|------------------------|------------------|
| COST | | | | | |
| At 1 April 2014 | 305,586 | 3,301,094 | 411,663 | 649,218 | 4,667,561 |
| Additions | — | 319,100 | 9,755 | — | 328,855 |
| Disposals | — | (1,310,474) | — | — | (1,310,474) |
| At 31 March 2015 | <u>305,586</u> | <u>2,309,720</u> | <u>421,418</u> | <u>649,218</u> | <u>3,685,942</u> |
| DEPRECIATION | | | | | |
| At 1 April 2014 | 130,993 | 2,569,622 | 272,187 | 417,164 | 3,389,966 |
| Charge for the year | 26,786 | 136,000 | 75,113 | 94,214 | 332,113 |
| On disposals | — | (1,308,686) | — | — | (1,308,686) |
| At 31 March 2015 | <u>157,779</u> | <u>1,396,936</u> | <u>347,300</u> | <u>511,378</u> | <u>2,413,393</u> |
| NET BOOK VALUE | | | | | |
| At 31 March 2015 | <u>147,807</u> | <u>912,784</u> | <u>74,118</u> | <u>137,840</u> | <u>1,272,549</u> |
| At 31 March 2014 | <u>174,593</u> | <u>731,472</u> | <u>139,476</u> | <u>232,054</u> | <u>1,277,595</u> |

Hire purchase agreements

Included within the net book value of £1,272,549 is £936,521 (2014 - £809,258) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £192,709 (2014 - £122,023).

8. STOCKS

| | 2015 £ | 2014 £ |
|-------|----------------|----------------|
| Stock | <u>235,633</u> | <u>206,806</u> |

9. DEBTORS

| | 2015 £ | 2014 £ |
|--------------------------------|------------------|------------------|
| Trade debtors | 3,584,390 | 3,851,475 |
| Corporation tax repayable | — | 80,954 |
| Other debtors | 4,449 | 8,615 |
| Prepayments and accrued income | 336,059 | 383,322 |
| | <u>3,924,898</u> | <u>4,324,366</u> |

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2015

10. CREDITORS: Amounts falling due within one year

| | 2015 | 2014 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 1,047,682 | 1,340,723 |
| Amounts owed to group undertakings | 97,000 | 156,000 |
| Corporation tax | 79,746 | — |
| PAYE and social security | 229,982 | 208,875 |
| VAT | 435,796 | 348,535 |
| Hire purchase agreements | 290,154 | 378,356 |
| Other creditors | 1,407,624 | 1,592,332 |
| Directors current accounts | 100,000 | 200,000 |
| Accruals and deferred income | 200,208 | 275,112 |
| | <u>3,888,192</u> | <u>4,499,933</u> |

An amount of £1,185,767 (2014 - £1,409,304) in other creditors is secured on debtors.

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

| | 2015 | 2014 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Hire purchase agreements | <u>290,154</u> | <u>378,356</u> |

11. CREDITORS: Amounts falling due after more than one year

| | 2015 | 2014 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Amounts owed to group undertakings | 180,018 | 394,410 |
| Hire purchase agreements | 313,890 | 254,155 |
| | <u>493,908</u> | <u>648,565</u> |

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

| | 2015 | 2014 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Hire purchase agreements | <u>313,890</u> | <u>378,356</u> |

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2015

12. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

| | 2015 | 2014 |
|---|----------------|----------------|
| | £ | £ |
| Amounts payable within 1 year | 290,154 | 378,356 |
| Amounts payable between 2 to 5 years | 313,890 | 254,155 |
| | <u>604,044</u> | <u>632,511</u> |
| Hire purchase agreements are analysed as follows: | | |
| Current obligations | 290,154 | 378,356 |
| Non-current obligations | 313,890 | 254,155 |
| | <u>604,044</u> | <u>632,511</u> |

13. DEFERRED TAXATION

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

| | 2015 | 2014 |
|--|---------------|---------------|
| | £ | £ |
| Provision brought forward | 46,252 | 11,720 |
| Profit and loss account movement arising during the year | 34,298 | 34,532 |
| Provision carried forward | <u>80,550</u> | <u>46,252</u> |

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

| | 2015 | 2014 |
|---|---------------|---------------|
| | £ | £ |
| Excess of taxation allowances over depreciation on fixed assets | 83,563 | 48,411 |
| Other timing differences | (3,013) | (2,159) |
| | <u>80,550</u> | <u>46,252</u> |

14. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as set out below.

| | 2015 | | 2014 | |
|--------------------------------|--------------------|----------------|--------------------|----------------|
| | Land and buildings | Other Items | Land and buildings | Other Items |
| | £ | £ | £ | £ |
| Operating leases which expire: | | | | |
| Within 1 year | 69,815 | 33,467 | 8,800 | 38,118 |
| Within 2 to 5 years | 30,000 | 179,648 | 99,815 | 171,618 |
| | <u>99,815</u> | <u>213,115</u> | <u>108,615</u> | <u>209,736</u> |

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2015

15. RELATED PARTY TRANSACTIONS

The company's ultimate joint controlling parties are the directors Mr A R Williams and Mr D J Williams.

The company has taken advantage of the exemption under Financial Reporting Standard No. 8 not to disclose transactions with entities, 100% of whose voting rights are controlled within the group and whose results are included within the ultimate parent undertaking's financial statements.

Included within creditors due within one year are the following balances due to the directors at the year end.

| | 2015 | 2014 |
|--------------|---------------|----------------|
| | £ | £ |
| A R Williams | <u>37,500</u> | <u>75,000</u> |
| D Williams | <u>62,500</u> | <u>125,000</u> |

The amounts are interest free and repayable on demand.

16. SHARE CAPITAL

Allotted, called up and fully paid:

| | 2015 | | 2014 | |
|----------------------------|------------|------------|------------|------------|
| | No | £ | No | £ |
| Ordinary shares of £1 each | <u>688</u> | <u>688</u> | <u>688</u> | <u>688</u> |

17. PROFIT AND LOSS ACCOUNT

| | 2015 | 2014 |
|--------------------------------------|------------------|----------------|
| | £ | £ |
| Balance brought forward | 794,352 | 1,085,401 |
| Profit/(loss) for the financial year | 377,035 | (291,049) |
| Balance carried forward | <u>1,171,387</u> | <u>794,352</u> |

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2015 | 2014 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Profit/(Loss) for the financial year | 377,035 | (291,049) |
| Opening shareholders' funds | <u>795,040</u> | <u>1,086,089</u> |
| Closing shareholders' funds | <u>1,172,075</u> | <u>795,040</u> |

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2015

19. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2015 | 2014 |
|---|----------------|----------------|
| | £ | £ |
| Operating profit/(loss) | 606,347 | (214,198) |
| Depreciation | 332,113 | 272,787 |
| Loss on disposal of fixed assets | 1,788 | 4,692 |
| Increase in stocks | (28,827) | (48,236) |
| Decrease/(increase) in debtors | 318,514 | (182,321) |
| (Decrease)/increase in creditors | (603,285) | 982,146 |
| Net cash inflow from operating activities | <u>626,650</u> | <u>814,870</u> |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | 2015 | 2014 |
|--|------------------|------------------|
| | £ | £ |
| Increase/(decrease) in cash in the period | 20,622 | (68,557) |
| Net cash outflow from long-term amounts owed to group undertakings | 214,392 | 190,811 |
| Cash outflow in respect of hire purchase | 348,675 | 341,450 |
| Change in net debt resulting from cash flows | 583,689 | 463,704 |
| New finance leases | (320,208) | (609,434) |
| Other differences | — | 5,518 |
| Movement in net debt in the period | <u>263,481</u> | <u>(140,212)</u> |
| Net debt at 1 April 2014 | <u>(845,898)</u> | <u>(705,686)</u> |
| Net debt at 31 March 2015 | <u>(582,417)</u> | <u>(845,898)</u> |

ANALYSIS OF CHANGES IN NET DEBT

| | At 1 Apr 2014 £ | Cash flows £ | Other changes £ | At 31 Mar 2015 £ |
|--------------------------|-----------------------|-----------------|-----------------------|------------------------|
| Net cash: | | | | |
| Cash in hand and at bank | <u>181,023</u> | <u>20,622</u> | <u>—</u> | <u>201,645</u> |
| Debt: | | | | |
| Debt due after 1 year | (394,410) | 214,392 | — | (180,018) |
| Hire purchase agreements | <u>(632,511)</u> | <u>348,675</u> | <u>(320,208)</u> | <u>(604,044)</u> |
| | <u>(1,026,921)</u> | <u>563,067</u> | <u>(320,208)</u> | <u>(784,062)</u> |
| Net debt | <u>(845,898)</u> | <u>583,689</u> | <u>(320,208)</u> | <u>(582,417)</u> |

FOREST TRAFFIC SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2015

20. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Forest Support Services Limited, the immediate and ultimate parent undertaking. Copies of the financial statements of that company are available from Forest Support Services Limited, Forest House, Broad Quay Road, Felnex Industrial Estate, Newport Gwent, NP19 4PN.