

REGISTERED NUMBER: 02759627 (England and Wales)

Strategic Report, Report of the Directors and

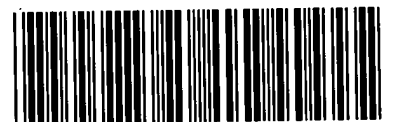
Financial Statements

for the Year Ended 31 December 2017

for

M B E GLAZING SYSTEMS LIMITED

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for the Year Ended 31 December 2017**

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M B E GLAZING SYSTEMS LIMITED

**Company Information
for the Year Ended 31 December 2017**

DIRECTORS:

Mr. P F L E Devenney
Mr B Singh
Mr M N Davison
Mr R C Hirst
Mr G Pickles
Mrs S Singh

SECRETARY:

Mr G Pickles

REGISTERED OFFICE:

Unit 21
Woodman Works
South Lane
Elland
West Yorkshire
HX5 0PA

REGISTERED NUMBER:

02759627 (England and Wales)

SENIOR STATUTORY AUDITOR:

V J Atkinson

AUDITORS:

Riley & Co Limited
Statutory Auditor Chartered Accountants
52 St Johns Lane
Halifax
West Yorkshire
HX1 2BW

**Strategic Report
for the Year Ended 31 December 2017**

The directors present their strategic report for the year ended 31 December 2017.

REVIEW OF BUSINESS

The directors are pleased to report that the company has continued to trade profitability during a year of challenging market conditions and ended the year to 31st December 2017 with a strong and improved balance sheet position.

Turnover declined by £876,081 (8.8%) compared with the previous year. The retail sector in particular suffered from the impact of reduced consumer spending. A number of high street retailers closed while others have cut back on the number of stores they operate.

Despite the fall in turnover, our gross profit is down by only £25,387 (0.8%). Our emphasis on procurement of contract work with good margins rather than chasing low margin turnover has resulted in respectable profit levels. The gross profit percentage achieved this year was 35.8% compared with 32.9% last year. This has been accomplished by diligent contract management and strict budgetary control over costs on individual jobs.

Profit before tax was down £158,009 which is largely due to an increase in administrative costs of £133,996. Notably, management staff costs have increased due to the company investing significantly in the recruitment of additional high calibre contract and technical staff that will be vital to servicing the future needs of our existing and expanding high quality customer base.

The net current asset position has improved by £635,256. The liquidity position is excellent and our cash at bank and in hand figure has increased by £451,350 over the year.

No dividends were distributed during the year and the full value of profit after tax amounting to £610,317 has been added to shareholders' funds which now stand at £4,532,967.

Key performance indicators:

	2017	2016	Movement	%
	£	£	£	
Turnover	9,093,165	9,969,246	-876,081	-8.8%
Gross Profit	3,255,898	3,281,285	-25,387	-0.8%
Gross Profit Margin	35.8%	32.9%	2.9%	
Administrative Expenses	2,530,661	2,396,665	133,996	5.6%
Profit Before Tax	761,134	919,143	-158,009	-17.2%
Net Current Assets	4,117,008	3,481,752	635,256	18.2%
Current Ratio	3.4	3.2		
Shareholders Funds	4,532,967	3,922,650	610,317	15.6%
Cash at Bank	1,790,102	1,338,752	451,350	33.7%
Average Staff Numbers	82	86	4	4.7%

**Strategic Report
for the Year Ended 31 December 2017**

PRINCIPAL RISKS AND UNCERTAINTIES

The economic uncertainty surrounding Brexit and the possibility of a "no deal" between the UK and the EU has continued to stifle customer demand for major expenditure on construction projects. This uncertainty has had a negative impact on the value of sterling and is leading to further cost pressures down the supply chain making imported products such as aluminium, steel and fuel for transport more expensive. There is also a danger that the threat of international trade wars and the imposition of tariffs will cause additional inflationary cost pressure on world commodity prices.

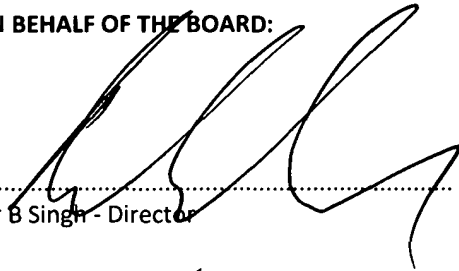
Like the retail sector the construction industry has also suffered corporate casualties. Notably the surprise demise of Carillion plc has had far reaching adverse repercussions especially on the liquidity of many subcontractors and suppliers.

The company continues to manage credit risk by remaining committed to maintaining and developing a diverse base of reputable customers with good credit ratings which are regularly reviewed. Our supply chain is subject to continuous vetting to ensure suppliers comply with the high standards we set ourselves which are driven by meeting or exceeding our customers' expectations for product delivery, quality and performance.

The directors continually assess risks to the business including regular quarterly reviews with our insurance brokers to ensure that the business is adequately insured against all potential risks.

The directors are committed to ensuring that the business is up to date with regards to employment law and health & safety issues. Regular monthly Health & Safety committee meetings are held with staff representatives from all departments. At these meetings, safety concerns are discussed and addressed with a view to reducing the risk of accidents by improving procedures together with assessing the need for further staff training where appropriate.

ON BEHALF OF THE BOARD:



.....
Mr B Singh - Director

Date: 14/8/18

**Report of the Directors
for the Year Ended 31 December 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture and installation of glazing systems.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Mr. P F L E Devenney

Mr B Singh

Mr M N Davison

Mr R C Hirst

Mr G Pickles

Mrs S Singh

Other changes in directors holding office are as follows:

Mr C D Twigg - resigned 31 May 2017

Mr C Garnett - resigned 26 July 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

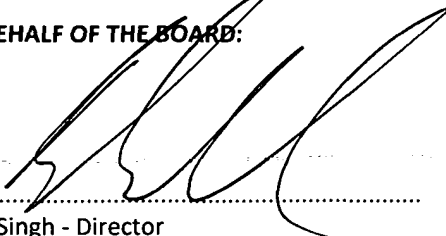
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Report of the Directors
for the Year Ended 31 December 2017**

AUDITORS

The auditors, Riley & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mr B Singh - Director

Date: 14/8/18

**Report of the Independent Auditors to the Members of
M B E Glazing Systems Limited**

Opinion

We have audited the financial statements of M B E Glazing Systems Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 Financial Reporting Standard 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 31 December 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.

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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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, 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.

Opinion 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
M B E Glazing Systems Limited**

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 Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

V J Atkinson (Senior Statutory Auditor)
for and on behalf of Riley & Co Limited
Statutory Auditor Chartered Accountants
52 St Johns Lane
Halifax
West Yorkshire
HX1 2BW



Date: 15 August 2018

M B E GLAZING SYSTEMS LIMITED (REGISTERED NUMBER: 02759627)

**Income Statement
for the Year Ended 31 December 2017**

	Notes	31.12.17 £	31.12.16 £
TURNOVER		9,093,165	9,969,246
Cost of sales		5,837,267	6,687,961
GROSS PROFIT		3,255,898	3,281,285
Administrative expenses		2,530,661	2,396,665
		725,237	884,620
Other operating income		20,770	22,146
OPERATING PROFIT	4	746,007	906,766
Interest receivable and similar income		15,127	13,916
		761,134	920,682
Interest payable and similar expenses	5	-	1,539
PROFIT BEFORE TAXATION		761,134	919,143
Tax on profit	6	150,817	181,854
PROFIT FOR THE FINANCIAL YEAR		610,317	737,289

The notes form part of these financial statements

M B E GLAZING SYSTEMS LIMITED (REGISTERED NUMBER: 02759627)

**Other Comprehensive Income
for the Year Ended 31 December 2017**

	Notes	31.12.17 £	31.12.16 £
PROFIT FOR THE YEAR		610,317	737,289
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>610,317</u>	<u>737,289</u>

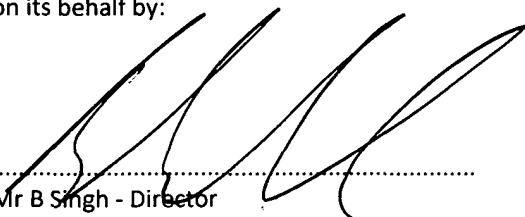
The notes form part of these financial statements

M B E GLAZING SYSTEMS LIMITED (REGISTERED NUMBER: 02759627)

**Balance Sheet
31 December 2017**

	Notes	31.12.17 £	31.12.16 £
FIXED ASSETS			
Tangible assets	8	513,530	544,318
CURRENT ASSETS			
Stocks	9	156,290	94,248
Debtors	10	3,854,203	3,653,704
Cash at bank and in hand		1,790,102	1,338,752
		<u>5,800,595</u>	<u>5,086,704</u>
CREDITORS			
Amounts falling due within one year	11	<u>1,683,587</u>	<u>1,604,952</u>
NET CURRENT ASSETS		<u>4,117,008</u>	<u>3,481,752</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,630,538</u>	<u>4,026,070</u>
PROVISIONS FOR LIABILITIES	13	<u>97,571</u>	<u>103,420</u>
NET ASSETS		<u><u>4,532,967</u></u>	<u><u>3,922,650</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	22,680	22,680
Capital redemption reserve	15	37,320	37,320
Retained earnings	15	<u>4,472,967</u>	<u>3,862,650</u>
SHAREHOLDERS' FUNDS		<u><u>4,532,967</u></u>	<u><u>3,922,650</u></u>

The financial statements were approved by the Board of Directors on 14/8/18 and were signed on its behalf by:


.....
Mr B Singh - Director

**Statement of Changes in Equity
for the Year Ended 31 December 2017**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2016	22,680	3,325,361	37,320	3,385,361
Changes in equity				
Dividends	-	(200,000)	-	(200,000)
Total comprehensive income	-	737,289	-	737,289
Balance at 31 December 2016	<u>22,680</u>	<u>3,862,650</u>	<u>37,320</u>	<u>3,922,650</u>
Changes in equity				
Total comprehensive income	-	610,317	-	610,317
Balance at 31 December 2017	<u>22,680</u>	<u>4,472,967</u>	<u>37,320</u>	<u>4,532,967</u>

The notes form part of these financial statements

**Cash Flow Statement
for the Year Ended 31 December 2017**

	Notes	31.12.17 £	31.12.16 £
Cash flows from operating activities			
Cash generated from operations	1	660,863	(301,326)
Interest element of hire purchase or finance lease rental payments paid		-	(1,539)
Tax paid		(185,446)	(147,718)
Net cash from operating activities		<u>475,417</u>	<u>(450,583)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(39,194)	(45,290)
Sale of tangible fixed assets		-	417
Interest received		15,127	13,916
Net cash from investing activities		<u>(24,067)</u>	<u>(30,957)</u>
Cash flows from financing activities			
Capital repayments in year		-	(15,667)
Equity dividends paid		-	(200,000)
Net cash from financing activities		<u>-</u>	<u>(215,667)</u>
Increase/(decrease) in cash and cash equivalents		<u>451,350</u>	<u>(697,207)</u>
Cash and cash equivalents at beginning of year	2	1,338,752	2,035,959
Cash and cash equivalents at end of year	2	<u><u>1,790,102</u></u>	<u><u>1,338,752</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2017**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.17	31.12.16
	£	£
Profit before taxation	761,134	919,143
Depreciation charges	69,982	36,033
Profit on disposal of fixed assets	-	(417)
Finance costs	-	1,539
Finance income	(15,127)	(13,916)
	<u>815,989</u>	<u>942,382</u>
Increase in stocks	(62,042)	(1,694)
Increase in trade and other debtors	(200,499)	(206,277)
Increase/(decrease) in trade and other creditors	<u>107,415</u>	<u>(1,035,737)</u>
Cash generated from operations	<u><u>660,863</u></u>	<u><u>(301,326)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u><u>1,790,102</u></u>	<u><u>1,338,752</u></u>

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u><u>1,338,752</u></u>	<u><u>2,035,959</u></u>

**Notes to the Financial Statements
for the Year Ended 31 December 2017**

1. STATUTORY INFORMATION

M B E Glazing Systems Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant & machinery	- 33% on cost, 25% on cost, 20% on cost and 10% on cost
Motor vehicles	- 25% on cost

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Long term contract balances

Long term contract balances represent costs incurred on specific contracts, net of amounts transferred to cost of sales in respect of work recorded as turnover, less foreseeable losses and payments on account not matched with turnover.

Contract work in progress is recorded as turnover when a gross valuation of work performed has been carried out and an application for payment made. No profit is recognised until the contract has advanced to a stage where the total profit can be assessed with reasonable certainty. Provision is made for the full amount of foreseeable losses on contracts.

3. EMPLOYEES AND DIRECTORS

	31.12.17	31.12.16
	£	£
Wages and salaries	2,602,094	2,767,363
Social security costs	254,343	274,585
Other pension costs	143,292	161,129
	<u>2,999,729</u>	<u>3,203,077</u>

The average number of employees during the year was as follows:

	31.12.17	31.12.16
All staff	<u>82</u>	<u>86</u>

The key management personnel of the company have been identified as the directors who have served during the year. The aggregate employment benefits, including employers national insurance and pension contributions, for these key management personnel for the year was £471,152 (2016 - £530,250).

	31.12.17	31.12.16
	£	£
Directors' remuneration	339,441	387,267
Directors' pension contributions to money purchase schemes	<u>122,083</u>	<u>140,000</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

3. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	31.12.17	31.12.16
	£	£
Emoluments etc	67,075	64,797
Pension contributions to money purchase schemes	10,000	10,000
	<u>77,075</u>	<u>74,797</u>

4. OPERATING PROFIT

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

	31.12.17	31.12.16
	£	£
Hire of plant and machinery	212,788	215,778
Depreciation - owned assets	69,982	36,033
Profit on disposal of fixed assets	-	(417)
Auditors' remuneration	12,000	12,000
Auditors' remuneration for non audit work	1,928	2,852
	<u>296,698</u>	<u>266,156</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.17	31.12.16
	£	£
Hire purchase	-	1,539
	<u>-</u>	<u>1,539</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.17	31.12.16
	£	£
Current tax:		
UK corporation tax	156,666	185,446
Deferred tax	(5,849)	(3,592)
Tax on profit	<u>150,817</u>	<u>181,854</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.17 £	31.12.16 £
Profit before tax	<u>761,134</u>	<u>919,143</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	146,518	183,829
Effects of:		
Capital allowances in excess of depreciation	-	(1,852)
Depreciation in excess of capital allowances	5,900	-
Disallowed expenditure	4,248	3,469
Movement in deferred tax	<u>(5,849)</u>	<u>(3,592)</u>
Total tax charge	<u>150,817</u>	<u>181,854</u>

7. DIVIDENDS

	31.12.17 £	31.12.16 £
Interim	<u>-</u>	<u>200,000</u>

8. TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Totals £
COST			
At 1 January 2017	546,403	170,660	717,063
Additions	39,194	-	39,194
Disposals	<u>(7,750)</u>	<u>-</u>	<u>(7,750)</u>
At 31 December 2017	<u>577,847</u>	<u>170,660</u>	<u>748,507</u>
DEPRECIATION			
At 1 January 2017	27,340	145,405	172,745
Charge for year	54,477	15,505	69,982
Eliminated on disposal	<u>(7,750)</u>	<u>-</u>	<u>(7,750)</u>
At 31 December 2017	<u>74,067</u>	<u>160,910</u>	<u>234,977</u>
NET BOOK VALUE			
At 31 December 2017	<u>503,780</u>	<u>9,750</u>	<u>513,530</u>
At 31 December 2016	<u>519,063</u>	<u>25,255</u>	<u>544,318</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.17 £	31.12.16 £
Profit before tax	<u>761,134</u>	<u>919,143</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	146,518	183,829
Effects of:		
Capital allowances in excess of depreciation	-	(1,852)
Depreciation in excess of capital allowances	5,900	-
Disallowed expenditure	4,248	3,469
Movement in deferred tax	(5,849)	(3,592)
Total tax charge	<u>150,817</u>	<u>181,854</u>

7. DIVIDENDS

	31.12.17 £	31.12.16 £
Interim	<u>-</u>	<u>200,000</u>

8. TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Totals £
COST			
At 1 January 2017	546,403	170,660	717,063
Additions	39,194	-	39,194
Disposals	(7,750)	-	(7,750)
At 31 December 2017	<u>577,847</u>	<u>170,660</u>	<u>748,507</u>
DEPRECIATION			
At 1 January 2017	27,340	145,405	172,745
Charge for year	54,477	15,505	69,982
Eliminated on disposal	(7,750)	-	(7,750)
At 31 December 2017	<u>74,067</u>	<u>160,910</u>	<u>234,977</u>
NET BOOK VALUE			
At 31 December 2017	<u>503,780</u>	<u>9,750</u>	<u>513,530</u>
At 31 December 2016	<u>519,063</u>	<u>25,255</u>	<u>544,318</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

9. STOCKS		
	31.12.17	31.12.16
	£	£
Stocks	<u>156,290</u>	<u>94,248</u>
10. DEBTORS		
	31.12.17	31.12.16
	£	£
Amounts falling due within one year:		
Trade debtors	2,201,313	2,063,303
Amounts due from customers for contract work	307,610	137,252
Other debtors	61,726	140,043
Loan - M B E Property Rentals Ltd	850,000	850,000
Prepayments and accrued income	<u>108,554</u>	<u>113,106</u>
	<u>3,529,203</u>	<u>3,303,704</u>
Amounts falling due after more than one year:		
Loan - Treedown Ltd	<u>325,000</u>	<u>350,000</u>
Aggregate amounts	<u>3,854,203</u>	<u>3,653,704</u>
11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	31.12.17	31.12.16
	£	£
Trade creditors	994,309	994,439
Amounts due to customers for contract work	46,619	41,981
Tax	156,666	185,446
Social security and other taxes	82,951	80,843
VAT	287,952	208,591
Other creditors	4,883	3,476
Accrued expenses and deferred income	<u>110,207</u>	<u>90,176</u>
	<u>1,683,587</u>	<u>1,604,952</u>
12. LEASING AGREEMENTS		
Minimum lease payments under non-cancellable operating leases fall due as follows:		
	31.12.17	31.12.16
	£	£
Within one year	10,950	2,620
Between one and five years	<u>285,508</u>	<u>412,166</u>
	<u>296,458</u>	<u>414,786</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

13. PROVISIONS FOR LIABILITIES

	31.12.17	31.12.16
	£	£
Deferred tax	<u>97,571</u>	<u>103,420</u>
		Deferred tax
		£
Balance at 1 January 2017		103,420
Credit to Income Statement during year		<u>(5,849)</u>
Balance at 31 December 2017		<u>97,571</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.17	31.12.16
			£	£
22,680	Ordinary	£1	<u>22,680</u>	<u>22,680</u>

15. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2017	3,862,650	37,320	3,899,970
Profit for the year	<u>610,317</u>		<u>610,317</u>
At 31 December 2017	<u>4,472,967</u>	<u>37,320</u>	<u>4,510,287</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

16. RELATED PARTY DISCLOSURES

During the year rental charges for property and plant and machinery amounting to £220,600 (2016 £207,666) were charged in the normal course of business from Treedown Ltd. Included in trade creditors is £85,740 (2016 £80,790) owed to that company. During the year sales of goods and services amounting to £22,847 (2016 £389) were charged in the normal course of business to Treedown Ltd. Included in trade debtors is £10,255 (2016 £198) owed by that company. At the year end the company had a loan outstanding of £325,000 (2016 £350,000) from Treedown Ltd. A commercial rate of interest is charged on this loan. Mr B Singh, Mr R C Hirst, Mr G Pickles and Mrs S Singh are directors of Treedown Ltd.

During the year sales of goods and services amounting to £104,300 (2016 £73,463) and management charges of £15,000 (2016 £15,000) were charged in the normal course of business to Swallow Architectural Coatings Ltd. Included in trade debtors is £26,736 (2016 £68,748) owed by that company. During the year purchases of goods and services amounting to £237,188 (2016 £252,102) were charged in the normal course of business from Swallow Architectural Coatings Ltd. Included in trade creditors is £49,968 (2016 £53,943) owed to that company. Mr B Singh and Mrs S Singh are directors of Swallow Architectural Coatings Ltd.

A loan of £850,000 (2016 £850,000) remains outstanding from MBE Property Rentals Ltd. Interest of £10,625 (2016 £Nil) has been paid by MBE Property Rentals Ltd during the year. Sales of goods and services amounting to £8,313 (2016 £3,948) were charged in the normal course of business to MBE Property Rentals Ltd. Included in trade debtors is £2,365 (2016 £3,654) owed from that company. Mr B Singh, Mr G Pickles and Mrs S Singh are directors of MBE Property Rentals Ltd.

17. ULTIMATE CONTROLLING PARTY

The company is controlled by Mr B Singh, director, who owns the majority of the company's ordinary shares.