

Company Registration No. 02999887 (England and Wales)

J. H. LAVENDER & COMPANY LTD
ABBREVIATED ANNUAL REPORT
FOR THE YEAR ENDED 31 OCTOBER 2015

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J. H. LAVENDER & COMPANY LTD

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J. H. LAVENDER & COMPANY LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2015

The directors present the strategic report and financial statements for the year ended 31 October 2015.

Review of the business

Year End Position as at 31st October 2015

The company achieved sales of £11,436,532, of which approximately £10,800,000 were direct casting sales showing a reduction of 6% on the approximate £11,500,000 of castings sales achieved in 2014. Despite this reduction in turnover, as can be seen from the KPI's below, profitability has increased from 4.85% in 2014 to 5.01% in 2015. A profit before tax of £572,415 has been achieved resulting in the company reporting a profit for the fifth consecutive year. The Directors are particularly encouraged by the increase in profitability as this demonstrates that the capital investment programmes that have been under-taken in recent years are having a continued positive impact on the financial performance of the business.

Unfortunately the Board have to report that the reduction in sales is primarily down to some customers following procurement strategies that have resulted in components being sourced overseas. This coupled with the fact that during 2015 UK manufacturing suffered an overall decline, the level of sales and profitability achieved illustrates the business is on a sound robust footing.

During 2015 the refurbishment of some internal facilities was undertaken and completed by JH Lavender (Holdings) Ltd, the parent company. This has resulted in the improvement of existing technical facilities and meeting rooms and the completion of a newly built reception area. This work has significantly improved the facilities available for both employees and customers.

Certification was obtained for both TS 16949 and ISO 14001 during the first quarter of 2015, these systems have and will continue to assist the company in developing key relationships with major UK based automotive manufacturers. Several long-term contracts are now in place for the supply of machined and assembled components on a tier 1 basis.

Shareholders' funds have increased some 23.9% from £1,917,756 in 2014 to £2,376,299 in 2015.

Principal risks and uncertainties

Price Risk

The price of aluminium over the last 12 months has been fairly stable, thus reducing the principle price risk on this key raw material. There is uncertainty in the future cost of aluminium, however this is mitigated by agreements that allows the company to pass on any movements in price to the customer.

Interest Rate Risk

The companies invoice discounting facility is linked to the Bank of England base rate and although it has been stable at historic lows for several years now, the inevitable rise in rates in coming years, will expose the company to an element of interest rate risk.

Economy Risk

As was seen in 2009, an economic downturn within the UK and the rest of Europe can severely impact on the trading ability of the company.

Analysis using key performance indicators:

Profit ratio

Pre-tax profit margin	5.01%	(2014: 4.85%)
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Liquidity ratio

Current ratio	0.96	(2014: 0.97)
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Capital ratio

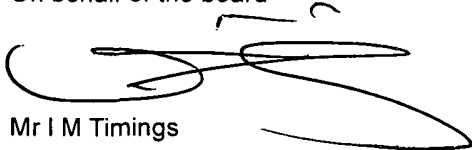
Interest cover	6.34	(2014: 5.98)
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J. H. LAVENDER & COMPANY LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

On behalf of the board

A handwritten signature in dark ink, consisting of a large, stylized 'I' followed by a cursive 'M' and a trailing flourish.

Mr I M Timings

Director

24 February 2016

J. H. LAVENDER & COMPANY LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2015

The directors present their report and financial statements for the year ended 31 October 2015.

Principal activities

The principal activity of the company continued to be that of aluminium pressure and gravity diecasters and machinists.

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend payment of an ordinary dividend.

Research and development

The company incurs on-going expenditure in various areas of research and development. A complete tooling design and manufacturing service is offered, utilising our extensive engineering experience. The Technical and Quality staff are involved with assisting customers from the inception of their design right through to the manufacture of production parts. Input, advice and feedback from sampling procedures all assist the product engineers with making sure the final product is as per specification and fit for purpose.

The same resources are also applied to achieve optimum manufacturing and quality standards for existing parts. Frequent design modifications to components are undertaken along with modifications to improve both quality and the casting process itself. The development of production techniques are refined and modified accordingly to ensure all objectives are met.

The Board of Directors view this item of expenditure as essential in developing customer relations and in ensuring that the casting process is as efficient and robust as possible, to maintain quality of product for the customer and to maintain margins for the Company itself.

Future developments

Sales for the first quarter of 2016 are in line with forecasts; however there are a number of known projects coming to an end during the calendar year. The positive news is that the company has secured several new contracts commencing in 2017 for the supply of further machined and assembled components, on a tier 1 basis. This new business will more than make up for the loss of sales in the latter part of 2016.

Based on these additional capacity requirements and after successfully securing further finance from our Bankers HSBC along with grant funding from the Black Country LEP, an extension to our warehouse facilities is currently under way. This will be closely followed by the construction of a new CNC machining facility, which will house a number of new machining centres.

The Board are actively looking to diversify in both customer base and market sectors from 2017 onwards to ensure the continued growth and profitability of the company as a whole.

Directors

The following directors have held office since 1 November 2014:

Mr A J Rose
Mr J M Warner
Mr I M Timings

Auditors

In accordance with the company's articles, a resolution proposing that Baldwins (Tamworth) Limited be reappointed as auditors of the company will be put at a General Meeting.

J. H. LAVENDER & COMPANY LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

Statement of directors' responsibilities

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

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

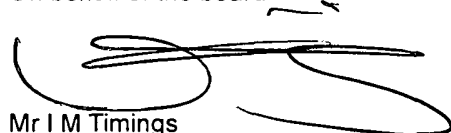
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr I M Timings

Director

24 February 2016

J. H. LAVENDER & COMPANY LTD

INDEPENDENT AUDITORS' REPORT TO J. H. LAVENDER & COMPANY LTD UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 6 to 19, together with the financial statements of J. H. Lavender & Company Ltd for the year ended 31 October 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 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 auditors' 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 auditors

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 to be delivered 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.



Mr David James Baldwin FCCA (Senior Statutory Auditor)
for and on behalf of Baldwins (Tamworth) Limited

23 March 2016

Chartered Certified Accountants
Statutory Auditor

Ventura House
Ventura Park Road
Tamworth
Staffs
B78 3HL

J. H. LAVENDER & COMPANY LTD

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2015

	Notes	2015 £	2014 £
Turnover		11,436,532	12,292,054
Other operating income less cost of sales		(9,450,080)	(10,330,664)
Administrative expenses		(1,306,918)	(1,245,434)
Operating profit	2	679,534	715,956
Other interest receivable and similar income		15	85
Interest payable and similar charges	4	(107,134)	(119,648)
Profit on ordinary activities before taxation		572,415	596,393
Tax on profit on ordinary activities	5	(113,872)	86,325
Profit for the year	15	458,543	682,718

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

J. H. LAVENDER & COMPANY LTD

ABBREVIATED BALANCE SHEET

AS AT 31 OCTOBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	6		3,779,578		3,852,657
Current assets					
Stocks	7	860,819		964,911	
Debtors	8	2,137,040		3,494,610	
Cash at bank and in hand		14,525		128,704	
		3,012,384		4,588,225	
Creditors: amounts falling due within one year	9	(3,135,234)		(4,737,027)	
Net current liabilities			(122,850)		(148,802)
Total assets less current liabilities			3,656,728		3,703,855
Creditors: amounts falling due after more than one year	10		(628,000)		(1,137,423)
Provisions for liabilities	11		(373,718)		(331,638)
Accruals and deferred income	12		(278,711)		(317,038)
			2,376,299		1,917,756
Capital and reserves					
Called up share capital	14	1,000		1,000	
Profit and loss account	15	2,375,299		1,916,756	
Shareholders' funds	16	2,376,299		1,917,756	

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

Approved by the Board and authorised for issue on 24 February 2016


Mr I M Timings
Director

Company Registration No. 02999887

J. H. LAVENDER & COMPANY LTD

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2015

	£	2015 £	£	2014 £
Net cash inflow from operating activities		1,504,764		97,975
Returns on investments and servicing of finance				
Interest received	15		85	
Interest paid	(107,134)		(119,648)	
Net cash outflow for returns on investments and servicing of finance		(107,119)		(119,563)
Taxation		38,910		195,630
Capital expenditure				
Payments to acquire tangible assets	(265,150)		(758,918)	
Receipts from sales of tangible assets	-		639,736	
Net cash outflow for capital expenditure		(265,150)		(119,182)
Net cash inflow before management of liquid resources and financing		1,171,405		54,860
Financing				
Other new short term loans	-		84,100	
Government grant received	-		290,264	
Repayment of other short term loans	(967,692)		(92,500)	
Capital element of hire purchase contracts	(317,892)		(245,327)	
Increase/(decrease) in debt	(1,285,584)		36,537	
Net cash (outflow)/inflow from financing		(1,285,584)		36,537
(Decrease)/increase in cash in the year		(114,179)		91,397

J. H. LAVENDER & COMPANY LTD

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2015

1 Reconciliation of operating profit to net cash outflow from operating activities		2015	2014
		£	£
Operating profit		679,534	715,956
Depreciation of tangible assets		338,229	249,405
Profit on disposal of tangible assets		-	(7,425)
Decrease/(increase) in stocks		104,092	(146,939)
Decrease in debtors		1,245,383	510,526
Decrease in creditors within one year		(824,148)	(1,185,222)
Movement on grant provision		(38,326)	(38,326)
Net cash inflow from operating activities		1,504,764	97,975

2 Analysis of net debt	1 November 2014	Cash flow	Other non-cash changes	31 October 2015
	£	£	£	£
Net cash:				
Cash at bank and in hand	128,704	(114,179)	-	14,525
Bank deposits	-	-	-	-
Debt:				
Finance leases	(932,514)	317,891	-	(614,623)
Debts falling due within one year	(2,072,359)	967,692	-	(1,104,667)
	(3,004,873)	1,285,583	-	(1,719,290)
Net debt	(2,876,169)	1,171,404	-	(1,704,765)

3 Reconciliation of net cash flow to movement in net debt	2015	2014
	£	£
(Decrease)/increase in cash in the year	(114,179)	91,397
Cash outflow from decrease in debt and lease financing	1,285,583	253,727
Change in net debt resulting from cash flows	1,171,404	345,124
New finance lease	-	(870,791)
Movement in net debt in the year	1,171,404	(525,667)
Opening net debt	(2,876,169)	(2,350,502)
Closing net debt	(1,704,765)	(2,876,169)

J. H. LAVENDER & COMPANY LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

1.4 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings freehold	No depreciation
Plant and machinery	8% to 20% on reducing balance
Computer equipment	33.3% on reducing balance
Fixtures, fittings & equipment	8% to 33.3% on reducing balance
Motor vehicles	33.3% on reducing balance

No depreciation is provided in respect of freehold buildings which is a departure from the requirements of FRS 15.

The company have a policy of regular maintenance and repair to the freehold buildings which maintains a long useful economic life of the buildings. Due to the continuing long economic life of the buildings the directors consider any depreciation charge to be insignificant.

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

J. H. LAVENDER & COMPANY LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

1 Accounting policies (Continued)

1.7 Stock and work in progress

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

The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

1.8 Pensions

Contributions are charged to the profit and loss account in the year they are payable, in accordance with the rules of the scheme.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.11 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2	Operating profit	2015 £	2014 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	338,229	249,405
	Operating lease rentals		
	- Plant and machinery	5,963	5,087
	Auditors' remuneration (including expenses and benefits in kind)	9,200	9,000
	and after crediting:		
	Government grants	38,326	38,326
	Profit on disposal of tangible assets	-	7,425
		<u> </u>	<u> </u>
3	Investment income	2015 £	2014 £
	Other interest	15	85
		<u> </u>	<u> </u>

J. H. LAVENDER & COMPANY LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

4	Interest payable	2015	2014
		£	£
	On bank loans and overdrafts	256	10,681
	Hire purchase interest	45,461	36,657
	On amounts payable to factors	58,576	69,538
	Other interest	2,841	2,772
		<u>107,134</u>	<u>119,648</u>
5	Taxation	2015	2014
		£	£
	Domestic current year tax		
	U.K. corporation tax	-	(93,515)
	Adjustment for prior years	71,792	(191,076)
	Total current tax	<u>71,792</u>	<u>(284,591)</u>
	Deferred tax		
	Origination and reversal of timing differences	42,080	198,266
		<u>113,872</u>	<u>(86,325)</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>572,415</u>	<u>596,393</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 20.00%)	<u>114,483</u>	<u>119,279</u>
	Effects of:		
	Non deductible expenses	97	120
	Depreciation add back	67,646	49,881
	Capital allowances	(106,772)	(144,277)
	Tax losses utilised	(67,789)	(15,852)
	Adjustments to previous periods	71,792	(191,076)
	Other tax adjustments	(7,665)	(102,666)
		<u>(42,691)</u>	<u>(403,870)</u>
	Current tax charge for the year	<u>71,792</u>	<u>(284,591)</u>

J. H. LAVENDER & COMPANY LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 November 2014	7,256,854	45,239	24,750	7,326,843
Additions	258,744	6,406	-	265,150
At 31 October 2015	7,515,598	51,645	24,750	7,591,993
Depreciation				
At 1 November 2014	3,429,575	26,330	18,281	3,474,186
Charge for the year	328,798	7,275	2,156	338,229
At 31 October 2015	3,758,373	33,605	20,437	3,812,415
Net book value				
At 31 October 2015	3,757,225	18,040	4,313	3,779,578
At 31 October 2014	3,827,279	18,909	6,469	3,852,657

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 31 October 2015	1,524,924
At 31 October 2014	1,657,526
Depreciation charge for the year	
At 31 October 2015	132,602
At 31 October 2014	102,066

J. H. LAVENDER & COMPANY LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

7	Stocks and work in progress	2015 £	2014 £
	Raw materials and consumables	57,890	75,493
	Work in progress	802,929	889,418
		<u>860,819</u>	<u>964,911</u>

8	Debtors	2015 £	2014 £
	Trade debtors	1,991,692	3,240,236
	Corporation tax	77,813	190,000
	Other debtors	10,049	1,010
	Prepayments and accrued income	57,486	63,364
		<u>2,137,040</u>	<u>3,494,610</u>

Included in the above trade debtors figure are debts factored to the value of £1,899,858 (2014: £2,822,758).

9	Creditors: amounts falling due within one year	2015 £	2014 £
	Bank loans and overdrafts	1,104,667	2,072,359
	Net obligations under hire purchase contracts	193,740	317,892
	Trade creditors	1,468,675	1,966,699
	Corporation tax	-	1,485
	Other taxes and social security costs	244,051	265,455
	Other creditors	76,676	66,680
	Accruals and deferred income	47,425	46,457
		<u>3,135,234</u>	<u>4,737,027</u>

Secured debts

The invoice discounting account is secured by a fixed charge on non-vesting debts and floating charge, dated 22/09/2009, and a legal charge on the property of 128 Hall Green Road, dated 16/12/2013, both with HSBC Invoice Finance (UK) Ltd.

The bank loan is secured by a chattels mortgage, dated 01/10/2010, and there is a legal assignment of contract monies, dated 26/03/2014, both with HSBC Asset Finance (UK) Ltd and HSBC Equipment Finance (UK) Ltd.

The Bank borrowings are further secured by a debenture with HSBC Bank Plc, dated 24/09/2009, a composite company unlimited multilateral unlimited guarantee with HSBC Plc dated 24/09/2009 and a legal assignment of contract monies, with HSBC Bank Plc, dated 10/07/2012.

J. H. LAVENDER & COMPANY LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

10 Creditors: amounts falling due after more than one year	2015 £	2014 £
Net obligations under hire purchase contracts	420,883	614,622
Amounts owed to parent company	207,117	522,801
	<u>628,000</u>	<u>1,137,423</u>
Net obligations under hire purchase contracts		
Repayable within one year	193,740	317,892
Repayable between one and five years	420,883	614,622
	<u>614,623</u>	<u>932,514</u>
Included in liabilities falling due within one year	(193,740)	(317,892)
	<u>420,883</u>	<u>614,622</u>

11 Provisions for liabilities

	Deferred tax liability £
Balance at 1 November 2014	331,638
Profit and loss account	42,080
	<u>373,718</u>
Balance at 31 October 2015	<u>373,718</u>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	446,926	404,846
Tax losses available	(73,208)	(73,208)
	<u>373,718</u>	<u>331,638</u>

J. H. LAVENDER & COMPANY LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

12 Accruals and deferred income

	Government grants £
Balance at 1 November 2014	317,037
Amortisation in the year	(38,326)
Balance at 31 October 2015	<u>278,711</u>

13 Pension and other post-retirement benefit commitments

Defined contribution

The Company operates three defined contribution pension schemes, one for the Directors and management and two for the production staff.

Contributions made into these schemes are paid by the Company at rates specified in the rules of the schemes. The assets of the schemes are held separately from those of the Company in independently administered funds.

	2015 £	2014 £
Contributions payable by the company for the year	<u>132,119</u>	<u>122,640</u>

14 Share capital

	2015 £	2014 £
Allotted, called up and fully paid 1,000 Ordinary of £1 each	<u>1,000</u>	<u>1,000</u>

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 2014	1,916,756
Profit for the year	458,543
Balance at 31 October 2015	<u>2,375,299</u>

J. H. LAVENDER & COMPANY LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

16 Reconciliation of movements in shareholders' funds	2015 £	2014 £
Profit for the financial year	458,543	682,718
Opening shareholders' funds	1,917,756	1,235,038
Closing shareholders' funds	2,376,299	1,917,756

17 Financial commitments

At 31 October 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2016:

	Other 2015 £	2014 £
Operating leases which expire:		
Within one year	2,120	-
Between two and five years	14,761	19,849
In over five years	17,379	17,379
	34,260	37,228

18 Capital commitments	2015 £	2014 £
At 31 October 2015 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	-	47,193

J. H. LAVENDER & COMPANY LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2015

19 Directors' remuneration	2015 £	2014 £
Remuneration for qualifying services	233,290	221,443
Company pension contributions to defined contribution schemes	16,984	16,510
	<u>250,274</u>	<u>237,953</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	158,626
Company pension contributions to defined contribution schemes	<u>16,984</u>

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Production staff	90	92
Management and administration	25	26
Directors	3	3
	<u>118</u>	<u>121</u>

Employment costs	2015 £	2014 £
Wages and salaries	3,501,175	3,450,494
Social security costs	338,943	349,833
Other pension costs	132,119	122,640
	<u>3,972,237</u>	<u>3,922,967</u>

J. H. LAVENDER & COMPANY LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

21 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.