

REGISTERED NUMBER: 03135655 (England and Wales)

**Strategic Report,
Report of the Directors and
Audited Financial Statements
for the Year Ended 31 July 2018
for
HATS GROUP LTD**

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FOR THE YEAR ENDED 31 JULY 2018**

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HATS GROUP LTD

Company Information FOR THE YEAR ENDED 31 JULY 2018

DIRECTORS:

H Bilinski
A Howard

REGISTERED OFFICE:

c/o LSR Management Ltd
Unit C2A Comet Studios
De Havilland Court
Amersham
Buckinghamshire
HP7 0PX

REGISTERED NUMBER:

03135655 (England and Wales)

AUDITORS:

Ian Todd & Co
Chartered Accountants & Registered Auditors
4200 Waterside Court
Birmingham Business Park
Birmingham
B37 7YN

**Strategic Report
FOR THE YEAR ENDED 31 JULY 2018**

The directors present their strategic report for the year ended 31 July 2018.

REVIEW OF BUSINESS

The results for the year and financial position of the company are shown in the annexed financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates in an uncertain environment that may result in increased risk, cost pressure and time pressures. Due to the nature of the industry additional pressures from customers can arise without time to plan for them. The following are the key risks that face the company;

-Financing risks

The financial risk to the company going forward is dependent on the current market. As the company deals in transportation logistics over short and medium length contracts this mitigates immediate financing risk, however not long term risks. The company's finances are supported by its ability to gain a competitive advantage over its competitors.

-Market and other regulatory requirements

Existing and possible future legislation, regulations and actions could cause additional operational expense, capital expenditure, reduction in scope and further product development change, the extent of which cannot be predicted. The company takes responsibility for ensuring that all relevant legislation is met.

-Operation risks

These include equipment failure, damage or substandard service, and include changes in customer operations and targets. The risk of oil price changes affecting the cost of sales is an uncontrollable risk for the company. The company seeks to minimise these risks by investing in environmentally advanced equipment, improvements in training and customer engagement whilst closely monitoring the legislation developments within its market.

EMPLOYEES

The company has continued to give full and fair consideration to applications made by persons of all diversities, having regard to their respective aptitudes and abilities, and to ensure that they benefit from training and career development programmes in common with all employees. The company has continued its policy of employee involvement by making information available to employees through the medium of frequent staff meetings, together with personal appraisals and feedback sessions.

PAYMENT OF CREDITORS

The company does not follow any published code or statement on payment practice. However, it is the company's policy to settle all amounts due to its creditors on a timely basis, taking into account the credit terms by each supplier.

LIKELY FUTURE DEVELOPMENTS

The company aims to continue to grow its client base organically. The target growth area is within the patient transport services market, vulnerable adults & passengers with special educational needs and disabilities (SEND).

**Strategic Report
FOR THE YEAR ENDED 31 JULY 2018**

KEY PERFORMANCE INDICATORS

The directors target 2 main areas of key performance (KPI's), these are gross profit and net profit.

The company has increased its gross profit by £377,327 (to £2,429,481) within the year, maintaining the gross profit at 9%.

The company has increased its net profit by £223,487 (to £846,387) within the year.

During the year the company continued to make efficiency's in respect of its capital assets (vehicles) so saving will be expected through next year.

ON BEHALF OF THE BOARD:

H Bilinski - Director

24 September 2018

**Report of the Directors
FOR THE YEAR ENDED 31 JULY 2018**

The directors present their report with the financial statements of the company for the year ended 31 July 2018.

DIVIDENDS

No dividends will be distributed for the year ended 31 July 2018.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

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

H Bilinski
A Howard

Other changes in directors holding office are as follows:

G Martin - appointed 24 November 2017 - resigned 24 November 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standards 102 as adopted for use in the UK and Republic of Ireland. The financial statements are required by law to 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 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of corporate and financial information on the company's website.

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 ought to have taken as a director in order to make himself 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 JULY 2018**

AUDITORS

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

ON BEHALF OF THE BOARD:

H Bilinski - Director

24 September 2018

Report of the Independent Auditors to the Members of HATS Group Ltd

Opinion

We have audited the financial statements of HATS Group Ltd (the 'company') for the year ended 31 July 2018 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 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.

Report of the Independent Auditors to the Members of HATS Group Ltd

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.

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.

Our 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.

Mr Ian Todd (Senior Statutory Auditor)
for and on behalf of Ian Todd & Co
Chartered Accountants & Registered Auditors
4200 Waterside Court
Birmingham Business Park
Birmingham
B37 7YN

24 September 2018

HATS GROUP LTD (REGISTERED NUMBER: 03135655)**Income Statement
FOR THE YEAR ENDED 31 JULY 2018**

	Notes	31/7/18 £	31/7/17 £
TURNOVER	3	26,793,076	20,509,912
Cost of sales		<u>24,363,595</u>	<u>18,457,758</u>
GROSS PROFIT		2,429,481	2,052,154
Administrative expenses		<u>1,467,781</u>	<u>1,274,807</u>
OPERATING PROFIT	5	961,700	777,347
Interest payable and similar expenses	6	<u>115,313</u>	<u>154,447</u>
PROFIT BEFORE TAXATION		846,387	622,900
Tax on profit	7	<u>227,630</u>	<u>122,123</u>
PROFIT FOR THE FINANCIAL YEAR		<u>618,757</u>	<u>500,777</u>

The notes form part of these financial statements

HATS GROUP LTD (REGISTERED NUMBER: 03135655)

**Other Comprehensive Income
FOR THE YEAR ENDED 31 JULY 2018**

	Notes	31/7/18 £	31/7/17 £
PROFIT FOR THE YEAR		618,757	500,777
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>618,757</u>	<u>500,777</u>

The notes form part of these financial statements

HATS GROUP LTD (REGISTERED NUMBER: 03135655)**Balance Sheet
31 JULY 2018**

	Notes	31/7/18 £	£	31/7/17 £	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		<u>944,741</u>		<u>874,007</u>
			944,741		874,007
CURRENT ASSETS					
Debtors	10	6,738,656		4,421,520	
Cash at bank and in hand		<u>423,518</u>		<u>416,010</u>	
		7,162,174		4,837,530	
CREDITORS					
Amounts falling due within one year	11	<u>3,510,169</u>		<u>2,101,005</u>	
NET CURRENT ASSETS			<u>3,652,005</u>		<u>2,736,525</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,596,746		3,610,532
CREDITORS					
Amounts falling due after more than one year	12		(1,861,819)		(1,563,443)
PROVISIONS FOR LIABILITIES	15		<u>(69,081)</u>		<u>-</u>
NET ASSETS			<u>2,665,846</u>		<u>2,047,089</u>
CAPITAL AND RESERVES					
Called up share capital	16		10,000		10,000
Revaluation reserve	17		68,977		68,977
Retained earnings	17		<u>2,586,869</u>		<u>1,968,112</u>
SHAREHOLDERS' FUNDS			<u>2,665,846</u>		<u>2,047,089</u>

The financial statements were approved by the Board of Directors on 24 September 2018 and were signed on its behalf by:

H Bilinski - Director

HATS GROUP LTD (REGISTERED NUMBER: 03135655)**Statement of Changes in Equity
FOR THE YEAR ENDED 31 JULY 2018**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 August 2016	10,000	1,467,335	68,977	1,546,312
Changes in equity				
Total comprehensive income	-	500,777	-	500,777
Balance at 31 July 2017	10,000	1,968,112	68,977	2,047,089
Changes in equity				
Total comprehensive income	-	618,757	-	618,757
Balance at 31 July 2018	10,000	2,586,869	68,977	2,665,846

The notes form part of these financial statements

HATS GROUP LTD (REGISTERED NUMBER: 03135655)**Cash Flow Statement
FOR THE YEAR ENDED 31 JULY 2018**

	Notes	31/7/18 £	31/7/17 £
Cash flows from operating activities			
Cash generated from operations	1	(490,000)	580,506
Interest paid		(85,079)	(137,526)
Interest element of hire purchase payments paid		(30,234)	(16,921)
Tax paid		(122,123)	(85,326)
Net cash from operating activities		<u>(727,436)</u>	<u>340,733</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(349,202)	(204,307)
Sale of tangible fixed assets		-	124,546
Net cash from investing activities		<u>(349,202)</u>	<u>(79,761)</u>
Cash flows from financing activities			
New finance in year		950,316	(330,283)
Capital repayments in year		133,830	192,891
Net cash from financing activities		<u>1,084,146</u>	<u>(137,392)</u>
Increase in cash and cash equivalents		<u>7,508</u>	<u>123,580</u>
Cash and cash equivalents at beginning of year	2	416,010	292,420
Cash and cash equivalents at end of year	2	<u>423,518</u>	<u>416,010</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 JULY 2018**

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

	31/7/18	31/7/17
	£	£
Profit before taxation	846,387	622,900
Depreciation charges	278,469	273,081
Loss on disposal of fixed assets	-	3,059
Finance costs	115,313	154,447
	<u>1,240,169</u>	<u>1,053,487</u>
Increase in trade and other debtors	(2,317,136)	(1,022,532)
Increase in trade and other creditors	586,967	549,551
Cash generated from operations	<u>(490,000)</u>	<u>580,506</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 July 2018

	31/7/18	1/8/17
	£	£
Cash and cash equivalents	<u>423,518</u>	<u>416,010</u>

Year ended 31 July 2017

	31/7/17	1/8/16
	£	£
Cash and cash equivalents	<u>416,010</u>	<u>292,420</u>

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 JULY 2018**

1. STATUTORY INFORMATION

HATS Group Ltd 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

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102"), the financial reporting standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The Directors have assessed the company's ability to continue in operational existence for the foreseeable future in accordance with the FRC (going concern and liquidity risk guidance (October 2009)). Therefore it is considered appropriate to prepare the financial statements on a going concern basis.

Turnover

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

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1995, is being amortised evenly over its estimated useful life of five years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- Over the term of the lease
Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

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.

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 2018**

2. ACCOUNTING POLICIES - continued

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.

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.

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.

Going concern

The directors review the on going working capital of the company to ensure that there are sufficient resources to meet its financial liabilities to continue trading in the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on going concern basis.

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 2018**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently amortised at cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the discounted amount of the cash or other consideration, expected to be paid or received. However if arrangements of a short-term instrument constitute a financing transaction, like the payment of trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan at market rate, the financial asset or liability is measured, initially at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31/7/18	31/7/17
	£	£
United Kingdom	26,793,076	20,509,912
	<u>26,793,076</u>	<u>20,509,912</u>

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 2018**

4. EMPLOYEES AND DIRECTORS

	31/7/18	31/7/17
	£	£
Wages and salaries	754,259	578,341
Social security costs	10,729	12,609
Other pension costs	8,606	1,968
	<u>773,594</u>	<u>592,918</u>

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

	31/7/18	31/7/17
Administration	<u>23</u>	<u>19</u>
	31/7/18	31/7/17
	£	£
Directors' remuneration	<u>86,000</u>	<u>99,500</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	31/7/18	31/7/17
	£	£
Depreciation - owned assets	11,440	8,943
Depreciation - assets on hire purchase contracts	267,028	264,138
Loss on disposal of fixed assets	-	3,059
Auditors' remuneration	<u>5,000</u>	<u>5,000</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/7/18	31/7/17
	£	£
Factoring costs	85,079	137,526
Hire purchase	30,234	16,921
	<u>115,313</u>	<u>154,447</u>

7. TAXATION

Analysis of the tax charge

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

	31/7/18	31/7/17
	£	£
Current tax:		
UK corporation tax	158,549	122,123
Deferred tax	69,081	-
Tax on profit	<u>227,630</u>	<u>122,123</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 2018

7. 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:

	31/7/18	31/7/17
	£	£
Profit before tax	<u>846,387</u>	<u>622,900</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	160,814	124,580
Effects of:		
Expenses not deductible for tax purposes	460	476
Capital allowances in excess of depreciation	(2,725)	(857)
Partial year at 19%	-	(2,076)
Deferred tax on accelerated capital allowances	<u>69,081</u>	<u>-</u>
Total tax charge	<u>227,630</u>	<u>122,123</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 August 2017	
and 31 July 2018	<u>3,000</u>
AMORTISATION	
At 1 August 2017	
and 31 July 2018	<u>3,000</u>
NET BOOK VALUE	
At 31 July 2018	<u>-</u>
At 31 July 2017	<u>-</u>

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 2018**

9. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 August 2017	55,791	136,887	166,792	1,743,803	2,103,273
Additions	-	-	18,362	330,840	349,202
At 31 July 2018	<u>55,791</u>	<u>136,887</u>	<u>185,154</u>	<u>2,074,643</u>	<u>2,452,475</u>
DEPRECIATION					
At 1 August 2017	-	135,520	142,356	951,390	1,229,266
Charge for year	-	741	10,699	267,028	278,468
At 31 July 2018	<u>-</u>	<u>136,261</u>	<u>153,055</u>	<u>1,218,418</u>	<u>1,507,734</u>
NET BOOK VALUE					
At 31 July 2018	<u>55,791</u>	<u>626</u>	<u>32,099</u>	<u>856,225</u>	<u>944,741</u>
At 31 July 2017	<u>55,791</u>	<u>1,367</u>	<u>24,436</u>	<u>792,413</u>	<u>874,007</u>

The plant & machinery of the company were revalued in August 2010 by the directors and it is the company's practice to maintain these assets in a continual state of repair and to extend and to make improvements thereto from time to time. It is the company's policy to review the valuations on an annual basis.

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 useful lives or the lease term, whichever is the shorter.

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

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

10. DEBTORS

	31/7/18 £	31/7/17 £
Amounts falling due within one year:		
Trade debtors	2,164,833	2,362,507
Prepayments and accrued income	<u>91,547</u>	<u>89,620</u>
	<u>2,256,380</u>	<u>2,452,127</u>
Amounts falling due after more than one year:		
Other debtors	<u>4,482,276</u>	<u>1,969,393</u>
Aggregate amounts	<u>6,738,656</u>	<u>4,421,520</u>

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 2018**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/7/18 £	31/7/17 £
Bank loans and overdrafts (see note 13)	1,445,012	494,695
Hire purchase contracts (see note 14)	268,260	226,502
Trade creditors	1,294,089	443,141
Tax	158,549	122,123
Social security and other taxes	28,490	3,257
VAT	245,858	327,678
Other creditors	-	479,154
Accrued expenses	69,911	4,455
	<u>3,510,169</u>	<u>2,101,005</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/7/18 £	31/7/17 £
Hire purchase contracts (see note 14)	468,195	376,123
Other creditors	1,393,624	1,187,320
	<u>1,861,819</u>	<u>1,563,443</u>

13. LOANS

An analysis of the maturity of loans is given below:

	31/7/18 £	31/7/17 £
Amounts falling due within one year or on demand:		
Bank loans	<u>1,445,012</u>	<u>494,695</u>

14. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	31/7/18 £	31/7/17 £
Net obligations repayable:		
Within one year	268,260	226,502
Between one and five years	468,195	376,123
	<u>736,455</u>	<u>602,625</u>

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 JULY 2018**

15. PROVISIONS FOR LIABILITIES

	31/7/18 £	31/7/17 £
Deferred tax		
Accelerated capital allowances	<u>69,081</u>	<u>-</u>
		Deferred tax
		£
Provided during year		<u>69,081</u>
Balance at 31 July 2018		<u>69,081</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/7/18 £	31/7/17 £
1,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

17. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 August 2017	1,968,112	68,977	2,037,089
Profit for the year	<u>618,757</u>		<u>618,757</u>
At 31 July 2018	<u>2,586,869</u>	<u>68,977</u>	<u>2,655,846</u>

18. CONTINGENT LIABILITIES

The Company has no contingent liabilities in respect of legal claims arising from the ordinary course of business.

19. CAPITAL COMMITMENTS

There were no capital commitments at 31 July 2018.

20. POST BALANCE SHEET EVENTS

There were no events after the reporting period.

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