

**THE CLARKE CHAPMAN GROUP LIMITED**  
**CONSOLIDATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2015**

Subsidiaries taking exemption from audit

Clarke Chapman Facilities Management Limited  
Clarke Chapman Aftermarket Limited

04120701  
03990492

pg 19

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*Registered in England Number 04120617*

**THE CLARKE CHAPMAN GROUP LIMITED**

**ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2015**

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**THE CLARKE CHAPMAN GROUP LIMITED**

**COMPANY INFORMATION**

**YEAR ENDED 31 DECEMBER 2015**

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**DIRECTORS:**

S D Plant  
N P Hancock  
K T Finnemore

**SECRETARY:**

B A Watson

**REGISTERED OFFICE:**

Enterprise Way  
Retford  
Nottinghamshire  
DN22 7HH

**REGISTERED NUMBER:**

04120617

**AUDITORS:**

Nexia Smith & Williamson  
Statutory Auditor  
Chartered Accountants  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

**PRINCIPAL BANKERS:**

Barclays Bank plc  
PO Box 3333  
One Snowhill  
Snowhill Queensway  
Birmingham  
B4 6GN

## **THE CLARKE CHAPMAN GROUP LIMITED**

### **DIRECTORS' REPORT**

#### **YEAR ENDED 31 DECEMBER 2015**

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The Directors present their report together with the audited Accounts of the Group for the year ended 31 December 2015

#### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The principal activities of the Company during the year were the repair and manufacture of heavy machinery and the provision of management and administrative services to its subsidiaries

The specific activities of the subsidiary undertakings are as disclosed in note 9 to the Accounts.

#### **RESULTS AND DIVIDENDS**

The results of the Group for the year are set out on page 7. The Group generated revenue of €21,320,842 during the year (2014 - €21,921,923) and a profit before tax of €2,427,633 (2014 - €3,420,675)

The Group had net assets of €4,346,239 as at 31 December 2015 (2014 - €5,396,520)

The Directors consider the results for the year to be satisfactory and they are confident of the future prospects of the Group. An interim dividend of €3,317,162 (2014 - €1,363,636) was paid by the Group during the year.

#### **DIRECTORS**

The Directors who served the Company during the year were as follows.

S D Plant  
M J Pawsey (resigned 8 March 2015)  
N P Hancock  
K T Finnemore

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the Directors to prepare Accounts for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company Accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company Accounts, as applied in accordance with the provisions of the Companies Act 2006. Under company law the Directors must not approve the Accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit of the Group for that period. In preparing these Accounts, the Directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable IFRSs as adopted by the European Union have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

**THE CLARKE CHAPMAN GROUP LIMITED**

**DIRECTORS' REPORT *(continued)***

**YEAR ENDED 31 DECEMBER 2015**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES *(continued)***

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 Accounts 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

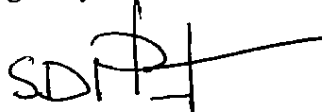
**DISCLOSURE OF INFORMATION TO AUDITORS**

In the case of each person who was a Director at the time this report was approved

- so far as that Director was aware there was no relevant available information of which the Company's auditors were unaware, and
- that Director had taken all steps that the Director ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006

Signed by order of the Directors

A handwritten signature in black ink, appearing to read 'SD Plant', with a long horizontal stroke extending to the right.

S D Plant  
Director

Approved by the Directors on

25 AUGUST 2016

# **THE CLARKE CHAPMAN GROUP LIMITED**

## **STRATEGIC REPORT**

**YEAR ENDED 31 DECEMBER 2015**

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The Directors present their Strategic Report for the year ended 31 December 2015

### **DEVELOPMENT, PERFORMANCE AND POSITION**

The Directors are satisfied with the trading results of the Group for the year and they are confident of the future prospects of the Group

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Directors of Langley Holdings plc manage the Group's risks at a Group level rather than at an individual Company level. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of The Clarke Chapman Group Limited's business. The principal risks and uncertainties of Langley Holdings plc, which include those of The Clarke Chapman Group Limited, are discussed in the Directors' Report of the Group's Annual Report which does not form part of this Report.

The management of the business and execution of the Company's and subsidiaries' strategies are subject to a number of risks.

The key business risks affecting the Company and its subsidiaries are considered to relate to national and international competitors.

### **FINANCIAL RISK MANAGEMENT**

The Company's and its subsidiaries' operations expose them to a variety of financial risks, which include cash flow fluctuation.

The Company and its subsidiaries have a policy of maintaining sufficient cash levels and have committed credit facilities made available through the Group.

The policies set down by the Board of Directors are implemented by the Company's finance department and are subject to regular review by the Board.

### **KEY PERFORMANCE INDICATORS**

The Directors of Langley Holdings plc manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance and position of the business of The Clarke Chapman Group Limited. The key performance indicators of The Langley Holdings Group are discussed in the Directors' Report of the Group's Annual Report which does not form part of this Report.

By order of the Board



S D Plant  
Director

The Clarke Chapman Group Limited  
Registered in England and Wales  
Company number 04120617

25 AUGUST 2016

## **THE CLARKE CHAPMAN GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER**

#### **YEAR ENDED 31 DECEMBER 2015**

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We have audited the Accounts of The Clarke Chapman Group Limited for the year ended 31 December 2015 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the Parent Company Accounts, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's member 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 member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities, set out on page 2, the Directors are responsible for the preparation of the Accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

#### **Scope of the audit of the Accounts**

A description of the scope of an audit of Accounts is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on Accounts**

In our opinion

- the Accounts give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 December 2015 and of the Group's profit for the year then ended,
- the Group Accounts have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the Parent Company Accounts have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and
- the Accounts have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the Accounts are prepared is consistent with the Accounts.

**THE CLARKE CHAPMAN GROUP LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER *(continued)***

**YEAR ENDED 31 DECEMBER 2015**

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**Matters on which we are required to report by exception**

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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the Parent Company Accounts 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

*Nexia Smith & Williamson*

Michael Neale  
Senior Statutory Auditor, for and on behalf of  
**Nexia Smith & Williamson**  
Statutory Auditor  
Chartered Accountants

Portwall Place  
Portwall Lane  
Bristol BS1 6NA

Date *15 September 2016*



**THE CLARKE CHAPMAN GROUP LIMITED****CONSOLIDATED INCOME STATEMENT****YEAR ENDED 31 DECEMBER 2015**

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		<b>2015</b>	<b>2014</b>
	<b>Note</b>	<b>€</b>	<b>€</b>
<b>REVENUE</b>	3	21,320,842	21,921,923
Cost of sales		<u>(15,814,011)</u>	<u>(15,915,984)</u>
<b>GROSS PROFIT</b>		5,506,831	6,005,939
Operating expenses		<u>(3,087,860)</u>	<u>(2,594,629)</u>
<b>OPERATING PROFIT</b>	4	2,418,971	3,411,310
Finance income		<u>8,662</u>	<u>9,365</u>
<b>PROFIT BEFORE TAXATION</b>		2,427,633	3,420,675
Income tax expense	7	<u>(506,736)</u>	<u>(429,501)</u>
<b>PROFIT FOR THE YEAR</b>		<u>1,920,897</u>	<u>2,991,174</u>

All of the activities of the Group are classed as continuing Profit for the year is attributable to the equity holder of the Parent Company

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The notes on pages 15 to 30 form part of these Accounts

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**THE CLARKE CHAPMAN GROUP LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 DECEMBER 2015**

	Note	2015	2014
		€	€
Profit for the year		1,920,897	2,991,174
<b>Other comprehensive income for the year:</b>			
<u>Items which may be reclassified to profit and loss</u>			
Exchange adjustments	20	345,984	280,532
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>2,266,881</b>	<b>3,271,706</b>

The notes on pages 15 to 30 form part of these Accounts

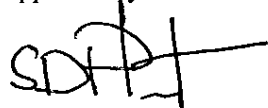
**THE CLARKE CHAPMAN GROUP LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2015**

		2015		2014	
	Note	€	€	€	€
<b>NON-CURRENT ASSETS</b>					
Deferred income tax asset	15		28,744		100,138
<b>CURRENT ASSETS</b>					
Inventories	10	71,335		4,782	
Trade and other receivables	12	4,684,466		5,759,682	
Cash and cash equivalents	13	3,762,878		4,268,845	
		<u>8,518,679</u>		<u>10,033,309</u>	
<b>CURRENT LIABILITIES</b>					
Trade and other payables	14	(4,201,184)		(4,736,927)	
<b>NET CURRENT ASSETS</b>			4,317,495		5,296,382
<b>NET ASSETS</b>			<u>4,346,239</u>		<u>5,396,520</u>
<b>EQUITY</b>					
Share capital	19		142		142
Retained earnings	20		4,346,097		5,396,378
<b>TOTAL EQUITY</b>			<u>4,346,239</u>		<u>5,396,520</u>

Approved by the Board of Directors on **25 AUGUST 2016** and signed on its behalf by



S D Plant  
Director

The notes on pages 15 to 30 form part of these Accounts

**THE CLARKE CHAPMAN GROUP LIMITED****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****YEAR ENDED 31 DECEMBER 2015**

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	<b>Share capital €</b>	<b>Retained earnings €</b>	<b>Total Equity €</b>
<b>AT 1 JANUARY 2014</b>	<u>142</u>	<u>1,856,876</u>	<u>1,857,018</u>
Profit for the year	-	2,991,174	2,991,174
Currency exchange difference arising on retranslation	-	280,532	280,532
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>-</u>	<u>3,271,706</u>	<u>3,271,706</u>
Dividends paid	-	(1,363,636)	(1,363,636)
On merger with Clarke Chapman Aftermarket Limited	-	1,631,432	1,631,432
<b>AT 31 DECEMBER 2014</b>	<u>142</u>	<u>5,396,378</u>	<u>5,396,520</u>
Profit for the year	-	1,920,897	1,920,897
Currency exchange difference arising on retranslation	-	345,984	345,984
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>-</u>	<u>2,266,881</u>	<u>2,266,881</u>
Dividends paid	-	(3,317,162)	(3,317,162)
<b>AT 31 DECEMBER 2015</b>	<u>142</u>	<u>4,346,097</u>	<u>4,346,239</u>

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The notes on pages 15 to 30 form part of these Accounts

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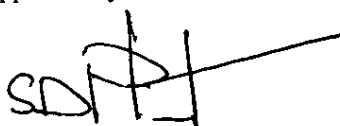
**THE CLARKE CHAPMAN GROUP LIMITED**

**COMPANY STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2015**

	Note	2015 €	2014 €
<b>NON-CURRENT ASSETS</b>			
Investments	9	955	903
Deferred income tax asset	15	27,328	29,217
		<u>28,283</u>	<u>30,120</u>
<b>CURRENT ASSETS</b>			
Inventories	10	71,335	4,782
Trade and other receivables	12	3,444,506	3,328,830
Cash and cash equivalents	13	3,706,315	4,255,723
		<u>7,222,156</u>	<u>7,589,335</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	(5,747,555)	(6,149,810)
<b>NET CURRENT ASSETS</b>			
		<u>1,474,601</u>	<u>1,439,525</u>
<b>NET ASSETS</b>			
		<u>1,502,884</u>	<u>1,469,645</u>
<b>EQUITY</b>			
Share capital	19	142	142
Retained earnings	20	1,502,742	1,469,503
<b>TOTAL EQUITY</b>		<u>1,502,884</u>	<u>1,469,645</u>

Approved by the Board of Directors on **25 AUGUST 2016** and signed on its behalf by



S D Plant  
Director

Company registration number 04120617

The notes on pages 15 to 30 form part of these Accounts

**THE CLARKE CHAPMAN GROUP LIMITED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2015**

	<b>Share capital €</b>	<b>Retained earnings €</b>	<b>Total Equity €</b>
<b>AT 1 JANUARY 2014</b>	<u>142</u>	<u>2,729,210</u>	<u>2,729,352</u>
Loss for the year	-	(566,247)	(566,247)
Currency exchange differences arising on retranslation	-	141,360	141,360
<b>TOTAL COMPREHENSIVE EXPENSE</b>	-	(424,887)	(424,887)
Dividends paid	-	(834,820)	(834,820)
<b>AT 31 DECEMBER 2014</b>	<u>142</u>	<u>1,469,503</u>	<u>1,469,645</u>
Profit for the year	-	3,264,167	3,264,167
Currency exchange differences arising on retranslation	-	86,752	86,752
<b>TOTAL COMPREHENSIVE INCOME</b>	-	3,350,919	3,350,919
Dividends paid	-	(3,317,680)	(3,317,680)
<b>AT 31 DECEMBER 2015</b>	<u>142</u>	<u>1,502,742</u>	<u>1,502,884</u>

The notes on pages 15 to 30 form part of these Accounts

**THE CLARKE CHAPMAN GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**YEAR ENDED 31 DECEMBER 2015**

	Note	2015 €	2014 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	22	3,063,637	3,908,742
Interest received		8,662	9,365
Income taxes paid		<u>(464,214)</u>	<u>(221,820)</u>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		2,608,085	3,696,287
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		<u>(3,317,162)</u>	<u>(1,363,636)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		(3,317,162)	(1,363,636)
Net (decrease)/increase in cash and cash equivalents		<u>(709,077)</u>	<u>2,332,651</u>
<b>Cash and cash equivalents at 1 January 2015</b>		4,268,845	1,680,423
Effects of exchange rate changes on cash and cash equivalents		<u>203,110</u>	<u>255,771</u>
<b>Cash and cash equivalents at 31 December 2015</b>		<u>3,762,878</u>	<u>4,268,845</u>
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>			
Cash in hand and at bank		<u>3,762,878</u>	<u>4,268,845</u>

The notes on pages 15 to 30 form part of these Accounts

**THE CLARKE CHAPMAN GROUP LIMITED**  
**COMPANY STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 DECEMBER 2015**

	Note	2015 €	2014 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	22	2,834,901	3,212,442
Interest received		8,662	9,147
Income taxes (paid)/received		(277,861)	1,928
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<u>2,565,702</u>	<u>3,223,517</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of subsidiary undertakings		<u>-</u>	<u>(3)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		-	(3)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		<u>(3,317,680)</u>	<u>(834,820)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		(3,317,680)	(834,820)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(751,978)</u>	<u>2,388,694</u>
<b>Cash and cash equivalents at 1 January 2015</b>		4,255,723	1,611,268
Effects of exchange rate changes on cash and cash equivalents		202,570	255,761
<b>Cash and cash equivalents at 31 December 2015</b>		<u>3,706,315</u>	<u>4,255,723</u>
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>			
Cash in hand and at bank	13	<u>3,706,315</u>	<u>4,255,723</u>

The notes on pages 15 to 30 form part of these Accounts



# THE CLARKE CHAPMAN GROUP LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

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### 1. ACCOUNTING POLICIES

#### (a) Basis of preparation

The Clarke Chapman Group Limited is a Company incorporated in the United Kingdom

The Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved for use in the European Union applied in accordance with the provisions of the Companies Act 2006

All accounting policies are consistent with those applying in the last annual Accounts for the year ended 31 December 2014

The accounts have been prepared on a historical costs basis

#### **New and amended standards which became effective during the year**

There were a number of Amendments to Standards, but none of these had a material impact on the Company in the current period

#### **New and amended standards which are not effective for the current period**

IFRS 9, *Financial Instruments*, IFRS 15, *Revenue from Contracts with Customers* and IFRS 16, *Leases* are in issue but are not yet effective so the Company has not adopted these standards in these Accounts

A number of Amendments and Improvements have also been issued but are not yet effective including acceptable methods of depreciation and consideration of material disclosures. The directors are currently assessing the impact of these new Standards, Improvements and Amendments on the Group's and Company's Accounts

#### (b) Consolidation

The Consolidated Accounts incorporate the Accounts of the Company and all of its subsidiary undertakings for the year ended 31 December 2015 using the purchase method and exclude all intra-group transactions. Assets, liabilities and contingent liabilities of acquired companies are measured at fair value at the date of acquisition. Any excess or deficiency between the cost of acquisition and fair value is treated as positive or negative goodwill. Where subsidiary undertakings are acquired or disposed of during the year, the results and turnover are included in the Consolidated Income Statement from, or up to the date control passes

The Company has taken advantage of the exemption granted by Section 480 of the Companies Act 2006 from presenting its own Income Statement (note 8)

#### (c) Financial instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument

**THE CLARKE CHAPMAN GROUP LIMITED**

**NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2015**

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**1. ACCOUNTING POLICIES (continued)**

**(c) Financial instruments (continued)**

*Trade receivables*

Trade receivables do not carry any interest and are initially measured at their fair value, and subsequently at their amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts

*Trade payables*

Trade payables are non-interest bearing and are initially measured at their fair value and subsequently at their amortised cost

**(d) Investments**

Investments represent the Parent Company's holdings in its subsidiaries and are presented as non current assets and stated at cost less any impairment in value. Any impairment is charged to the Company Income Statement

**(e) Inventories and work in progress**

Inventories are valued at the lower of cost and net realisable value. Cost is calculated as cost of purchase on a first in first out basis. Net realisable value is based on estimated selling price less further costs to completion and disposal

**(f) Construction contracts**

Contract costs are recognised when incurred. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately

The Group uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to either the contract costs incurred up to the year end as a percentage of total estimated costs for each contract, or by reference to milestone conditions as defined in the contracts, as appropriate to the circumstances of the particular contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion, and are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. Progress billings not yet paid by customers and retentions are included within 'trade and other receivables'

# THE CLARKE CHAPMAN GROUP LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

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### 1. ACCOUNTING POLICIES *(continued)*

#### (f) Construction contracts *(continued)*

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses)

#### (g) Income Tax

The income tax expense represents the sum of the income tax currently payable and deferred income tax

Deferred income tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Accounts. Deferred income tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised

Deferred tax has been calculated at the rate expected to apply at the time at which temporary differences are forecast to reverse, based on tax rates which have been substantially enacted at the balance sheet date

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them

#### (h) Foreign currencies

##### (a) Transactions and balances

Transactions in currencies other than sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the year end. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity

##### (b) Preparation of Accounts

These accounts have been presented in Euros because the majority of the Group's trade is conducted in this currency. Income and expense items are translated at the average exchange rates for the year unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to a separate component of equity

The average exchange rate during the year was €1.38 (2014 - €1.25) to the Pound Sterling. The opening exchange rate was €1.28 (2014 - €1.20) to the Pound Sterling and the closing exchange rate €1.36 (2014 - €1.28) to the Pound Sterling

# THE CLARKE CHAPMAN GROUP LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

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### 1. ACCOUNTING POLICIES *(continued)*

#### (i) Revenue recognition

Revenue from sales of goods and services is recognised when the Group has delivered the products or completed the services and the customer has accepted them, and is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts (see (f) above)

#### (j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and short-term deposits with banks and similar financial institutions with a maturity of six months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities in the Statement of Financial Position. Borrowing costs are expensed as incurred.

#### (k) Pension costs

The Group operates a defined contribution stakeholder pension scheme and a defined contribution workplace pension scheme, both of which are administered on behalf of the Group by a pension provider. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the fund. The annual contributions payable are charged to the Income Statement.

#### (l) Leased assets

All leases are operating leases and the relevant annual rentals are charged to the Consolidated Income Statement on a straight line basis over the lease term.

#### (m) Dividend policy

Dividend distribution to the Group's Shareholder is recognised as a liability in the Group's Accounts in the period in which the dividends are approved by the Group's Shareholder.

#### (n) Key assumptions and significant judgements

The preparation of the Accounts in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the Accounts. The area where the most judgement is required is highlighted below.

# THE CLARKE CHAPMAN GROUP LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

### 1. ACCOUNTING POLICIES *(continued)*

#### (n) Key assumptions and significant judgements *(continued)*

##### *Revenue and margin recognition*

The Group's revenue and margin recognition in respect of construction contracts is central to the way in which the Company values the work it has carried out each financial year. This policy requires forecasts to be made of the outcomes of the contracts, which require assessments and judgements to be made on the margin likely to be achieved, and hence the costs likely to be incurred.

### 2. SUBSIDIARY AUDIT EXEMPTION

The wholly-owned subsidiaries of The Clarke Chapman Group Limited, Clarke Chapman Facilities Management Limited and Clarke Chapman Aftermarket Limited are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A.

### 3. REVENUE

The revenue and profit before tax of the Group are attributable to the principal activities of the Group.

	2015 €	2014 €
Revenue from construction contracts	<u>21,320,842</u>	<u>21,921,923</u>

### 4. OPERATING PROFIT

	2015 €	2014 €
<b>Operating profit has been arrived at after charging:</b>		
Fees payable to the Company's auditor and its associates for the audit of the Group's Accounts	25,550	20,667
Fees payable to the Company's auditor and its associates for other services		
- the audit of the Company's subsidiaries	2,900	2,428
- non-audit services	2,077	6,195
- tax compliance services	4,280	6,848
Operating leases		
- land and buildings	659,033	596,513
- other	7,997	11,826
Cost of inventories recognised as an expense (included in cost of sales)	<u>8,604,446</u>	<u>7,668,435</u>

**THE CLARKE CHAPMAN GROUP LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2015****5. KEY MANAGEMENT PERSONNEL COMPENSATION**

	2015 €	2014 €
Salaries and short-term employee benefits	534,027	483,530
Post-employment benefits	16,176	14,827
	<u>550,203</u>	<u>498,357</u>

All of the above key management personnel compensation relates to Directors

**Directors' emoluments**

	2015 €	2014 €
Aggregate emoluments as Directors of the Company	477,144	432,600
Value of Group pension contributions to money purchase schemes	16,176	14,827
	<u>493,320</u>	<u>447,427</u>
Emoluments of the highest paid Director	196,703	155,673
Group pension contributions to highest paid Director	7,442	6,573
	<u>204,145</u>	<u>162,246</u>
	<b>No.</b>	<b>No.</b>
Number of Directors who are accruing benefits under money purchase pension schemes	<u>3</u>	<u>4</u>

**6. EMPLOYEE NUMBERS AND COSTS**

The average number of persons employed by the Group (including Directors) during the year was as follows:

	2015 No.	2014 No.
Production staff	112	129
Admin staff	54	58
	<u>166</u>	<u>187</u>

**THE CLARKE CHAPMAN GROUP LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2015****6. EMPLOYEE NUMBERS AND COSTS (*continued*)**

The aggregate payroll costs of these persons were as follows

	2015 €	2014 €
Wages and salaries	7,025,634	7,540,324
Social security costs	731,092	794,012
Other pension costs	67,306	61,499
	<u>7,824,032</u>	<u>8,395,835</u>

**7. INCOME TAX EXPENSE****(a) Charge for the year**

	2015 €	2014 €
Current income tax		
UK corporation tax at 20 25% (2014 – 21 49%)	426,429	440,856
Foreign tax	2,054	2,832
Adjustments to prior year UK tax	(362)	-
Movement in deferred tax (note 15)	78,615	(14,187)
Income tax expense	<u>506,736</u>	<u>429,501</u>

**(b) Factors affecting tax expense**

	2015 €	2014 €
Profit before taxation	<u>2,427,633</u>	<u>3,420,675</u>
Profit before taxation multiplied by the standard rate of tax of 20 25% (2014 – 21 49%)	491,589	735,210
Expenses not deductible for tax purposes	35,307	1,338
Timing differences	2,441	(3,527)
Adjustment to tax charge in previous period	(362)	-
Utilisation of brought forward losses	<u>(22,239)</u>	<u>(303,520)</u>
Tax expense	<u>506,736</u>	<u>429,501</u>

**(c) Impact of future tax rate changes**

Finance Act 2015, which received Royal Assent on 18 November 2015, includes legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. Accordingly, deferred tax has been calculated at the tax rate of 18%.

**8. COMPANY PROFIT**

The Company has taken advantage of the exemption granted by Section 408 of the Companies Act 2006 whereby no individual Income Statement of the Company is disclosed. The Company's profit for the financial year amounted to €3,264,167 (2014: loss of €566,247).

**THE CLARKE CHAPMAN GROUP LIMITED**

**NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2015**

**9. NON-CURRENT INVESTMENTS**

	<b>Company Shares in group undertakings €</b>
<b>COST</b>	
At 1 January 2015	903
Exchange adjustment	52
At 31 December 2015	<u>955</u>
<b>Carrying amount</b>	
At 31 December 2015	<u>955</u>
At 31 December 2014	<u>903</u>
	<b>Company Shares in group undertakings €</b>
<b>COST</b>	
At 1 January 2014	844
Additions	3
Exchange adjustment	56
At 31 December 2014	<u>903</u>
<b>Carrying amount</b>	
At 31 December 2014	<u>903</u>
At 31 December 2013	<u>844</u>

The following companies are wholly owned unlisted subsidiaries at 31 December 2015

<b>Company</b>	<b>Country of Registration</b>	<b>Principal Activity</b>
Clarke Chapman Facilities Management Limited	England	Provision of facilities management services
Clarke Chapman Aftermarket Limited	England	Design, manufacture, maintenance, refurbishment and repair of cranes and other mechanical equipment
Clarke Chapman Engineering Services Limited	Ireland	Provision of facilities management services
Clarke Chapman Manufacturing Limited	England	Dormant subsidiary
Clarke Chapman Machining Limited	England	Dormant subsidiary
Mackley Pumps Limited	England	Dormant subsidiary
Clarke Chapman Services Limited	England	Dormant subsidiary
Cowans Sheldon Limited	England	Dormant subsidiary
Wellman Booth Limited	England	Dormant subsidiary
Stothert and Pitt Limited	England	Dormant subsidiary
Butterley Limited	England	Dormant subsidiary



**THE CLARKE CHAPMAN GROUP LIMITED**

**NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2015**

**10. INVENTORIES**

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	€	€	€	€
Raw materials and spares	<u>71,335</u>	<u>4,782</u>	<u>71,335</u>	<u>4,782</u>

**11. CONSTRUCTION WORK IN PROGRESS**

Contracts in progress at the year end

**Group**

	2015	2014
	€	€
Amounts due from contract customers included in trade and other receivables (note 12)	786,580	1,818,692
Amounts due to contract customers included in trade and other payables (note 14)	<u>(639,062)</u>	<u>(187,873)</u>
	<u>147,518</u>	<u>1,630,819</u>
Contract costs incurred plus recognised profit less recognised losses to date	67,742,292	53,780,293
Less progress billing	<u>(67,594,774)</u>	<u>(52,149,474)</u>
	<u>147,518</u>	<u>1,630,819</u>

**Company**

	2015	2014
	€	€
Amounts due from contract customers included in trade and other receivables (note 12)	546,183	906,409
Amounts due to contract customers included in trade and other payables (note 14)	<u>(389,075)</u>	<u>(163,445)</u>
	<u>157,108</u>	<u>742,964</u>
Contract costs incurred plus recognised profit less recognised losses to date	43,365,786	33,425,630
Less progress billing	<u>(43,208,678)</u>	<u>(32,682,666)</u>
	<u>157,108</u>	<u>742,964</u>

**THE CLARKE CHAPMAN GROUP LIMITED**

**NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2015**

**12. CURRENT TRADE AND OTHER RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	€	€	€	€
Trade receivables	3,290,545	3,589,851	2,317,452	2,099,820
Amounts recoverable on construction contracts	786,580	1,818,692	546,183	906,409
Amounts owed by Group undertakings	35,118	10,065	40,653	15,011
Other receivables	10,196	10,265	677	1,336
Prepayments and accrued income	494,177	330,809	471,698	306,254
Retentions	67,850	-	67,843	-
	<u>4,684,466</u>	<u>5,759,682</u>	<u>3,444,506</u>	<u>3,328,830</u>

Trade receivables are non-interest bearing and generally on 30 – 90 days terms

As at 31 December 2015, the analysis of trade receivables that were past due but not impaired is as follows

	<30 days	31-60 days	61-90 days	91-120 days	>120 days
	€	€	€	€	€
<b>Group</b>					
2015	285,586	351,913	7,502	11,612	23,248
2014	313,025	149,141	27,622	-	-
<b>Company</b>					
2015	237,661	4,442	7,502	11,612	23,248
2014	272,791	111,702	27,622	-	-

**13. CASH AND CASH EQUIVALENTS**

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	€	€	€	€
Cash in hand and at bank	<u>3,762,878</u>	<u>4,268,845</u>	<u>3,706,315</u>	<u>4,255,723</u>

**14. CURRENT TRADE AND OTHER PAYABLES**

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	€	€	€	€
Trade payables	1,134,593	1,871,844	837,727	1,089,809
Other taxes and social security	207,903	190,878	204,456	186,698
Accruals and deferred income	943,439	1,048,327	691,245	513,244
VAT payable	822,421	810,974	813,682	801,603
Corporation tax payable	420,681	456,771	134,438	271,788
Amounts owed to Group undertakings	33,085	170,260	2,676,932	3,123,223
Payments on account	639,062	187,873	389,075	163,445
	<u>4,201,184</u>	<u>4,736,927</u>	<u>5,747,555</u>	<u>6,149,810</u>

**THE CLARKE CHAPMAN GROUP LIMITED**

**NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2015**

**15. DEFERRED TAX ASSET**

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	€	€	€	€
At 1 January	100,138	2,543	29,217	2,543
Arising on merger	-	77,644	-	-
(Charge)/credit to the income statement	(78,615)	14,187	(3,659)	25,760
Exchange adjustments	7,221	5,764	1,770	914
At 31 December	<u>28,744</u>	<u>100,138</u>	<u>27,328</u>	<u>29,217</u>

**GROUP AND COMPANY**

The movement in net deferred tax assets and liabilities during the year is as follows

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	€	€	€	€
Accelerated capital allowances	4,219	5,219	2,875	3,472
Short term timing differences	99	105	27	105
Tax losses available	24,426	94,814	24,426	25,640
	<u>28,744</u>	<u>100,138</u>	<u>27,328</u>	<u>29,217</u>

**Unprovided deferred taxation**

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	€	€	€	€
Tax losses available	30,557	52,469	30,557	52,469
	<u>30,557</u>	<u>52,469</u>	<u>30,557</u>	<u>52,469</u>

No deferred tax asset has been recognised in respect of tax losses where the Group is not expected to have sufficient relevant taxable profits to utilise these assets in the near future

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial instruments comprise cash and short term deposits and various items such as trade payables and trade receivables that arise directly from its operations. The main purpose of these financial instruments is to fund the Group's operations, as well as to manage its working capital, liquidity and surplus funds.

The Group does not enter into any derivative transactions

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and interest rate risk. Liquidity risk is not considered to be a main risk to the Group given the Group's cash and cash equivalents balances being considerably higher than any borrowings

# THE CLARKE CHAPMAN GROUP LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

#### *Foreign currency risk*

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of individual Group entities (which are principally Sterling, euro and US dollars)

The Group publishes its Consolidated Accounts in euro and as a result, it is subject to foreign currency exchange translation risk in respect of the results and underlying net assets of its operations where the euro is not the functional currency of that operation

#### *Financial risk*

The following table demonstrates the sensitivity to a reasonably possible change in the Sterling to euro and other currencies to euro exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the fair value of monetary assets and liabilities

	Increase/decrease in Sterling rate	Effect on profit before tax €
2015	+10%	269,737
	-10%	(220,694)
2014	+10%	391,282
	-10%	(320,140)

#### *Credit risk*

With respect to credit risk arising from the other financial assets of the Group, comprising of cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments

#### *Interest rate risk*

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's money on deposit

#### *Capital risk management*

The Group defines capital as being share capital plus reserves and manages capital to ensure adequate resources are retained for the continued growth of the Group. Access to capital includes the retention of cash on deposit and availability of funding through agreed capital facilities. Long term deposits are used to obtain more favourable rates of return only when adequate cash resources are maintained on shorter term deposit for the Group's working capital requirements

# THE CLARKE CHAPMAN GROUP LIMITED

## NOTES TO THE ACCOUNTS

### YEAR ENDED 31 DECEMBER 2015

#### 17. RELATED PARTY TRANSACTIONS

During the year the Company made sales and purchases to and from the following Group entities

Company	2015		2014	
	Sales	Purchases	Sales	Purchases
	€	€	€	€
Clarke Chapman Aftermarket Limited	3,315	80,753	95,076	79,006
Clarke Chapman Facilities Management Limited	81,186	-	73,299	-
Pressure Engineering International Limited	27,097	242,939	22,903	116,291
JND Technologies Limited	98,724	-	-	-

The following management and administrative charges were invoiced by/to the Company during the year.

Company	2015		2014	
	Management and administrative Charges		Management and administrative Charges	
	Received	Paid	Received	Paid
	€	€	€	€
Clarke Chapman Facilities Management Limited	160,535	-	153,219	-
Clarke Chapman Aftermarket Limited	119,623	-	152,512	-
Langley Holdings Plc	-	288,684	-	260,770
Clarke Chapman Engineering Services Limited	5,638	-	4,804	-

At 31 December 2015, the Company had the following balances with other Group undertakings

Company	2015	2014
	Amount due to/(from) the Company	Amount due to/(from) the Company
	€	€
Clarke Chapman Facilities Management Limited	(1,266,482)	(1,151,466)
Clarke Chapman Aftermarket Limited	(1,377,369)	(1,914,868)
Clarke Chapman Engineering Services Limited	5,539	4,946
Langley Holdings Plc	(33,081)	(56,889)
Pressure Engineering International Limited	970	10,065
Piller UK Limited	24,518	-
JND Technologies Limited	9,626	-

**THE CLARKE CHAPMAN GROUP LIMITED**

**NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2015**

**17. RELATED PARTY TRANSACTIONS *(continued)***

During the year the Group made sales and purchases to and from the following Langley Group entities

Group	2015		2014	
	Sales	Purchases	Sales	Purchases
	€	€	€	€
Pressure Engineering International Limited	30,537	438,865	22,903	116,291
JND Technologies Limited	<u>98,724</u>	<u>-</u>	<u>-</u>	<u>-</u>

The following management charges were invoiced by/to the Group during the year

Group	2015		2014	
	Management Charges		Management Charges	
	Received	Paid	Received	Paid
	€	€	€	€
Langley Holdings Plc	<u>-</u>	<u>371,414</u>	<u>-</u>	<u>260,770</u>

At 31 December 2015, the Clarke Chapman Group had the following balances with other Langley Group entities

Group	2015	2014
	Amount due to/(from) the Group	Amount due to/(from) the Group
	€	€
Langley Holdings Plc	(33,085)	(56,889)
Pressure Engineering International Limited	970	(103,300)
Piller UK Limited	24,518	-
JND Technologies Limited	<u>9,630</u>	<u>-</u>

*Terms and conditions of transactions with related parties*

Transactions with related parties are made at normal prices, outstanding balances at the year end are unsecured, interest free and settlement occurs in cash

# THE CLARKE CHAPMAN GROUP LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

### 18. CONTINGENCIES

The Company is party to a Group bank composite accounting arrangement and has given a guarantee to the bank in respect of all fellow subsidiaries' bank facilities, secured by a debenture dated 21 July 2014 over the assets of the Company in favour of Barclays Bank plc. At the year end there is no net borrowing under the arrangement (2014 - €nil).

The Company is party to a statutory guarantee under the Companies Act 2006. The company guarantees all outstanding debts and liabilities of its subsidiaries as at 31 December 2015 until they are satisfied in full.

### 19. SHARE CAPITAL

	2015 €	2014 €
<b>Authorised:</b>		
1,000 ordinary shares of £1 each	<u>1,420</u>	<u>1,420</u>
<b>Allotted, issued and fully paid:</b>		
100 ordinary shares of £1 each	<u>142</u>	<u>142</u>

### 20. RETAINED EARNINGS

Included within the retained earnings of the Group are foreign currency translation reserves of €969,397 (2014 - €623,413). Included within the retained earnings reserve for the Company is €246,207 (2014 - €159,455) of foreign currency translation reserves.

The net currency exchange difference arising on retranslation in the year was a gain of €345,984 (2014 - €280,532) for the Group and a gain of €86,752 (2014 - €141,360) for the Company. The foreign currency translation reserves contain the accumulated foreign currency translation differences from the translation of the financial statements of the Group's foreign operations arising when the Group's entities are consolidated.

### 21. COMMITMENTS UNDER OPERATING LEASES

At the year end, the Group had outstanding commitments for future minimum lease payments and other costs under non-cancellable operating leases, which fall due as follows:

	2015 €	2014 €
Within one year	153,029	145,737
In two to five years	<u>494,111</u>	<u>16,622</u>
	<u>647,140</u>	<u>162,359</u>

The lease commitments relate primarily to leases of land and buildings. The leases have various terms and renewal rights.

**THE CLARKE CHAPMAN GROUP LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2015****22. CASH GENERATED FROM OPERATIONS**

<b>GROUP</b>	<b>2015</b>	<b>2014</b>
	<b>€</b>	<b>€</b>
Profit before taxation	2,427,633	3,420,675
Investment income	(8,662)	(9,365)
(Increase)/decrease in inventories	(66,553)	30,259
Decrease in trade and other receivables	1,075,220	1,002,734
Decrease in trade and other payables	(499,653)	(554,558)
Foreign exchange translation adjustments	135,652	18,997
Cash generated from operations	<u>3,063,637</u>	<u>3,908,742</u>
 <b>COMPANY</b>	 <b>2015</b>	 <b>2014</b>
	<b>€</b>	<b>€</b>
Profit/(loss) before taxation	3,404,678	(327,851)
Investment income	(8,662)	(9,147)
(Increase)/decrease in inventories	(66,545)	19,371
(Increase)/decrease in trade and other receivables	(112,023)	1,789,380
(Decrease)/increase in trade and other payables	(264,906)	1,856,060
Foreign exchange translation adjustments	(117,641)	(115,371)
Cash generated from operations	<u>2,834,901</u>	<u>3,212,442</u>

**23. ULTIMATE PARENT COMPANY**

The ultimate Parent Company is Langley Holdings Plc, a Company registered in England, which is controlled by A J Langley, a director of the Company. Copies of the Consolidated Accounts of Langley Holdings Plc may be obtained from the Registrar of Companies.