

REGISTRAR OF COMPANIES

Company Registration No 04264507 (England and Wales)

HCD GROUP LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

FRIDAY



A34LQ92H

A14

28/03/2014

#286

COMPANIES HOUSE

HCD GROUP LIMITED

DIRECTORS AND ADVISERS

Directors

Mr A H Dyer
Mr J D Butler
Mr S Hicks
Mr N G J Cole
Mr S Highwood

Secretary

Mr S Hicks

Company number

04264507

Registered office

2 Links Court
Links Business Park
St Mellons
CARDIFF
South Glamorgan
UK
CF3 0LT

Registered auditors

Broomfield & Alexander Limited
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
CARDIFF
UK
CF23 8AB

HCD GROUP LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the consolidated cash flow statement	9
Notes to the financial statements	10 - 24

HCD GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their strategic report for the year ended 31 December 2013

Review of the business

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

HCD Group is a multi-disciplinary construction consultancy business operating from nine offices throughout the UK. Its principal activities as a percentage of overall turnover are as follows -

- Approved Inspector services - 69% (last year 73%)
- Project management and cost consultancy services - 11% (last year 12%)
- Consulting Engineering - 10% (last year 8%)
- Fire strategy and other specialist advice - 10% (last year 7%)

Following the credit crunch of 2008 and the resulting economic recession the Group suffered consecutive years of reduction in Group turnover in 2009 and 2010. In 2011 we bucked the trend within the construction industry and enjoyed growth of 12% although in 2012 there was some contraction of 6% and again in 2013 we have seen turnover for the Group reduced by just 1% from £5,640,625 to £5,555,793. The posted Operating Profit (before interest and tax) of £629,179 still represent an Operating Profit of 11.3% and is considerably more than that achieved when economic difficulties were at their height in 2009 and 2010.

Our ever evolving business development strategy is regularly reviewed and tailored to meet anticipated future market demand. Despite the minor reduction in turnover and operating profit the Board is delighted to post these results given the prevailing poor economic climate within the construction industry at the beginning of the year. The latter part of 2013 has seen a significant change however, with growth forecast in all areas of business in 2014 as noted below.

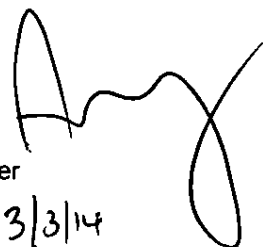
The Approved Inspector core business remains strong although turnover did reduce against 2012 by 5.3%. This was slightly down on expectations as whilst we did not expect growth our forecast for an equally challenging year in 2013 was that turnover would likely remain flat. However, our current win rates are at their best levels for 5 years and whilst project income is typically drawn out over more than a calendar year with sometimes lengthy gestation periods before construction begins we expect modest growth in 2014 to take us back to 2012 levels with growth thereafter and a strong 2015 to follow.

We had also forecast that 2013 would be a difficult year for HCD Management Ltd, our Project Management and Cost Consultancy Services business following a reduction in turnover of 19% in 2012. Whilst turnover has fallen again by 12% we have however grown our Operating Profit through strict cost control measures and posted a modest operating profit of £65k at a margin of 10.1% (against £50k and 6.8% in 2012). Our CDM services element of this business is prospering and we expect growth in excess of 10% for 2014.

We forecast growth in 2013 for both our smaller Consulting Engineering and Fire Strategy businesses where we had invested in additional resource and this proved to be correct. Our Engineering business reported 10.7% growth in 2013 following a fall of 12% in 2012 whilst in Fire Strategy we grew the turnover significantly by 39.6% to £552k. We are quickly establishing the "Fusion Fire Engineering" brand as a leading player in this market. We expect double figure percentage growth in both businesses again in 2014 with our Consulting Engineering business expecting significant growth within the Care Sector.

At time of writing end January 2014 we have currently secured turnover for 2014 at 13% more than for 2013 at the same time last year and the secured revenue also represents 72% of the value of our annualised current operating cost base.

Mr A H Dyer
Director



3/3/14

HCD GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended 31 December 2013

Principal activities

The principal activity of the company continued to be that of building surveyors and building management consultants

Results and dividends

The consolidated profit and loss account for the year is set out on page 6

Directors

The following directors have held office since 1 January 2013

Mr A H Dyer
Mr J D Butler
Mr S Hicks
Mr N G J Cole
Mr S Highwood

Statement of directors' responsibilities

The directors are responsible for preparing the 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 group and of the profit or loss of the group 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HCD GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

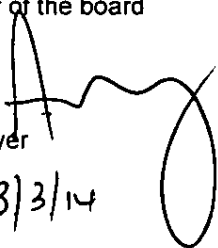
Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group'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 group's auditors are aware of that information.

On behalf of the board

Mr A H Dyer
Director

3/3/14



HCD GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HCD GROUP LIMITED

We have audited the group and parent company financial statements (the "financial statements") of HCD Group Limited for the year ended 31 December 2013 set out on pages 6 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2013 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

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

HCD GROUP LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF HCD GROUP LIMITED

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 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



Ian Thomas BSc FCA (Senior Statutory Auditor)
for and on behalf of Broomfield & Alexander Limited

10 MARCH 2014

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
CARDIFF
UK
CF23 8AB

HCD GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Turnover	2	5,555,793	5,640,625
Cost of sales		(2,813,043)	(2,838,173)
Gross profit		2,742,750	2,802,452
Administrative expenses		(2,113,571)	(2,091,930)
Other operating income		-	6,664
Operating profit	3	629,179	717,186
Other interest receivable and similar income		63	2,206
Interest payable and similar charges	4	(13,104)	(8,781)
Profit on ordinary activities before taxation		616,138	710,611
Tax on profit on ordinary activities	5	(148,577)	(183,420)
Profit on ordinary activities after taxation		467,561	527,191

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

HCD GROUP LIMITED


BALANCE SHEETS

AS AT 31 DECEMBER 2013

		Group		Company	
	Notes	2013 £	2012 £	2013 £	2012 £
Fixed assets					
Intangible assets	8	401,126	448,923	-	-
Tangible assets	9	132,333	65,129	96,963	19,083
Investments	10	-	-	517,080	517,080
		<u>533,459</u>	<u>514,052</u>	<u>614,043</u>	<u>536,163</u>
Current assets					
Debtors	11	1,825,747	1,730,486	56,727	96,394
Cash at bank and in hand		7,814	1,566	302	754
		<u>1,833,561</u>	<u>1,732,052</u>	<u>57,029</u>	<u>97,148</u>
Creditors' amounts falling due within one year	12	(1,044,701)	(894,388)	(552,179)	(574,192)
Net current assets		<u>788,860</u>	<u>837,664</u>	<u>(495,150)</u>	<u>(477,044)</u>
Total assets less current liabilities		<u>1,322,319</u>	<u>1,351,716</u>	<u>118,893</u>	<u>59,119</u>
Creditors' amounts falling due after more than one year	13	(13,039)	-	(13,039)	-
Provisions for liabilities	14	(8,779)	-	(11,579)	-
		<u>1,300,501</u>	<u>1,351,716</u>	<u>94,275</u>	<u>59,119</u>
Capital and reserves					
Called up share capital	16	3,360	3,360	3,360	3,360
Other reserves	17	90	90	90	90
Profit and loss account	17	1,297,051	1,348,266	90,825	55,669
Shareholders' funds	18	<u>1,300,501</u>	<u>1,351,716</u>	<u>94,275</u>	<u>59,119</u>

Approved by the Board and authorised for issue on

03rd March 2014


Mr S Hicks
Director

Company Registration No. 04264507

HCD GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
£	£	£
Net cash inflow from operating activities	776,966	455,324
Returns on investments and servicing of finance		
Interest received	63	2,206
Interest paid	(9,738)	(8,363)
Net cash outflow for returns on investments and servicing of finance	(9,675)	(6,157)
Taxation	(128,087)	(350,996)
Capital expenditure		
Payments to acquire tangible assets	(102,243)	(37,847)
Receipts from sales of tangible assets	3,525	-
Net cash outflow for capital expenditure	(98,718)	(37,847)
Equity dividends paid	(518,776)	(478,684)
Net cash inflow/(outflow) before management of liquid resources and financing	21,710	(418,360)
Financing		
Share based payments	-	6
New long term bank loan	101,000	-
Repayment of long term bank loan	(45,333)	-
Repayment of other short term loans	(27,019)	(161,409)
Capital element of hire purchase contracts	(8,688)	-
Net cash inflow/(outflow) from financing	19,960	(161,403)
Increase/(decrease) in cash in the year	41,670	(579,763)

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

1	Reconciliation of operating profit to net cash inflow from operating activities		2013	2012
			£	£
	Operating profit		629,179	717,186
	Depreciation of tangible assets		56,946	52,193
	Amortisation of intangible assets		47,797	47,797
	Loss on disposal of tangible assets		634	-
	Increase in debtors		(102,754)	(186,131)
	Increase/(decrease) in creditors within one year		145,164	(175,721)
	Net cash inflow from operating activities		776,966	455,324

2	Analysis of net debt	1 January 2013	Cash flow	Other non-cash changes	31 December 2013
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,566	6,248	-	7,814
	Bank overdrafts	(253,499)	35,422	-	(218,077)
		(251,933)	41,670	-	(210,263)
	Finance leases	-	(17,378)	-	(17,378)
	Debts falling due within one year	(27,019)	(24,298)	-	(51,317)
	Debts falling due after one year	-	(4,350)	-	(4,350)
		(27,019)	(46,026)	-	(73,045)
	Net debt	(278,952)	(4,356)	-	(283,308)

3	Reconciliation of net cash flow to movement in net debt	2013	2012
		£	£
	Increase/(decrease) in cash in the year	41,670	(579,763)
	Cash (inflow)/outflow from (increase)/decrease in debt	(46,026)	161,409
	Movement in net debt in the year	(4,356)	(418,354)
	Opening net (debt)/funds	(278,952)	139,402
	Closing net debt	(283,308)	(278,952)

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2013. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised when the goods and services are provided.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

1.6 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:

Plant and machinery	33% on cost
Computer equipment	33% on cost
Fixtures, fittings & equipment	33% on cost and 15% on cost
Motor vehicles	25% on cost

1.7 Leasing

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.

1.8 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

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.

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies (Continued)

1.10 Share-based payments

The company operates a number of share-based payment schemes. The fair value at the date of grant of the equity instrument is recognised as an expense, spread over the vesting period of the instrument. The total amount to be expensed is determined by reference to the fair value of the awards, excluding the impact of any non-market vesting conditions. At each balance sheet date, the company revises its estimate of the number of equity instruments which are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment is made to equity over the remaining vesting period. On vesting or exercise, the difference between the expense charged to the income statement and the actual cost to the company is transferred to retained earnings. Where new shares are issued, the proceeds received are credited to share capital and share premium.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2013 £	2012 £
Operating profit is stated after charging		
Amortisation of intangible assets	47,797	47,797
Depreciation of tangible assets	56,946	52,193
Loss on disposal of tangible assets	634	-
Operating lease rentals		
- Plant and machinery	143,615	157,154
- Other assets	235,379	246,983
Fees payable to the group's auditor for the audit of the group's annual accounts	19,500	18,900
and after crediting		
Government grants	-	6,664

4 Interest payable	2013 £	2012 £
On bank loans and overdrafts	5,611	1,414
On other loans wholly repayable within five years	1,140	1,215
Other interest	6,353	6,152
	13,104	8,781

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

5	Taxation	2013 £	2012 £
	Domestic current year tax		
	U K corporation tax	129,681	178,088
	Total current tax	<u>129,681</u>	<u>178,088</u>
	Deferred tax		
	Origination and reversal of timing differences	18,896	5,332
		<u>18,896</u>	<u>5,332</u>
		<u>148,577</u>	<u>183,420</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>616,138</u>	<u>710,611</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23% (2012 - 24%)	<u>141,712</u>	<u>170,547</u>
	Effects of		
	Depreciation	7,316	14,662
	Non deductible expenses	19,697	12,307
	Capital allowances	(33,844)	(14,476)
	Change in tax rate	(2,713)	3,677
	Marginal relief	(3,822)	(5,938)
	Other tax adjustments	1,335	(2,691)
		<u>(12,031)</u>	<u>7,541</u>
	Current tax charge for the year	<u>129,681</u>	<u>178,088</u>

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows

	2013 £	2012 £
Holding company's profit for the financial year	<u>553,932</u>	<u>504,154</u>

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

7	Dividends	2013	2012
		£	£
	Ordinary interim paid	518,776	478,684
		<u> </u>	<u> </u>
8	Intangible fixed assets		
	Group		Goodwill
			£
	Cost		
	At 1 January 2013 & at 31 December 2013		955,942
			<u> </u>
	Amortisation		
	At 1 January 2013		507,019
	Charge for the year		47,797
			<u> </u>
	At 31 December 2013		554,816
			<u> </u>
	Net book value		
	At 31 December 2013		401,126
			<u> </u>
	At 31 December 2012		448,923
			<u> </u>

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

9 Tangible fixed assets

Group

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2013	854,806	289,572	7,100	1,151,478
Additions	123,973	4,336	-	128,309
Disposals	-	-	(7,100)	(7,100)
At 31 December 2013	978,779	293,908	-	1,272,687
Depreciation				
At 1 January 2013	814,959	269,009	2,381	1,086,349
On disposals	-	-	(2,941)	(2,941)
Charge for the year	40,387	15,999	560	56,946
At 31 December 2013	855,346	285,008	-	1,140,354
Net book value				
At 31 December 2013	123,433	8,900	-	132,333
At 31 December 2012	39,847	20,563	4,719	65,129

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

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 31 December 2013	20,998	-	-	20,998
Depreciation charge for the year				
31 December 2013	5,068	-	-	5,068

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

9 Tangible fixed assets (Continued)

Tangible fixed assets

Company

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2013	358,288	168,485	526,773
Additions	110,373	-	110,373
At 31 December 2013	468,661	168,485	637,146
Depreciation			
At 1 January 2013	347,678	160,012	507,690
Charge for the year	26,987	5,506	32,493
At 31 December 2013	374,665	165,518	540,183
Net book value			
At 31 December 2013	93,996	2,967	96,963
At 31 December 2012	10,610	8,473	19,083

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

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Net book values			
At 31 December 2013	20,998	-	20,998
Depreciation charge for the year			
31 December 2013	5,068	-	5,068

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

10 Fixed asset investments Company

	Shares in group undertakings £
Cost	
At 1 January 2013 & at 31 December 2013	517,080
Net book value	
At 31 December 2013	517,080
At 31 December 2012	517,080

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
HCD Building Control Limited	UK	Ordinary	100 00
HCD Management Limited	UK	Ordinary	100 00
HCD Eng Limited	UK	Ordinary	100 00
HCD Specialist Services Limited	UK	Ordinary	100 00

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
HCD Building Control Limited	Building approval inspectors
HCD Management Limited	Construction project management
HCD Eng Limited	Consultant structural engineering
HCD Specialist Services Limited	Construction industry regulatory audits

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

11 Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	1,601,764	1,479,406	-	-
Amounts recoverable on long term contracts	81,666	86,309	-	-
Amounts owed by group undertakings	-	-	-	23,809
Corporation tax	2,624	-	2,624	-
Other debtors	34,423	45,785	22,806	37,243
Prepayments and accrued income	105,270	108,869	31,297	29,441
Deferred tax asset (see note 14)	-	10,117	-	5,901
	<u>1,825,747</u>	<u>1,730,486</u>	<u>56,727</u>	<u>96,394</u>

12 Creditors - amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	269,394	280,518	176,469	146,851
Net obligations under finance lease and hire purchase contracts	8,689	-	8,689	-
Trade creditors	58,496	39,669	24,669	19,971
Amounts owed to group undertakings	-	-	221,169	320,300
Corporation tax	129,682	125,464	24,587	45,776
Taxes and social security costs	416,197	358,128	21,174	10,120
Directors current accounts	45,314	12,353	45,314	12,353
Other creditors	25,878	-	-	-
Accruals and deferred income	91,051	78,256	30,108	18,821
	<u>1,044,701</u>	<u>894,388</u>	<u>552,179</u>	<u>574,192</u>

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

13 Creditors : amounts falling due after more than one year

	Group 2013 £	2012 £	Company 2013 £	2012 £
Bank loans	4,350	-	4,350	-
Net obligations under finance leases and hire purchase agreements	8,689	-	8,689	-
	<u>13,039</u>	<u>-</u>	<u>13,039</u>	<u>-</u>
Analysis of loans				
Wholly repayable within five years	55,667	27,019	55,667	27,019
Included in current liabilities	(51,317)	(27,019)	(51,317)	(27,019)
	<u>4,350</u>	<u>-</u>	<u>4,350</u>	<u>-</u>
Loan maturity analysis				
In more than one year but not more than two years	4,350	-	4,350	-

The overdraft and bank loans are secured by personal guarantees from the directors A H Dyer, J D Butler and N G J Cole and a guarantee and debenture from HCD Group Limited and its subsidiaries, HCD Engineering Limited, HCD Building Control Limited, HCD Specialist Services Limited and HCD Management Limited

Net obligations under finance leases and hire purchase contracts

Repayable within one year	8,689	-	8,689	-
Repayable between one and five years	8,689	-	8,689	-
	<u>17,378</u>	<u>-</u>	<u>17,378</u>	<u>-</u>
Included in liabilities falling due within one year	(8,689)	-	(8,689)	-
	<u>8,689</u>	<u>-</u>	<u>8,689</u>	<u>-</u>

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

14 Provisions for liabilities

Group

Deferred
taxation
£

Balance at 1 January 2013

(10,117)

Profit and loss account

18,896

Balance at 31 December 2013

8,779

Company

Balance at 1 January 2013

(5,901)

Profit and loss account

17,480

Balance at 31 December 2013

11,579

The deferred tax liability is made up as follows

	Group 2013 £	2012 £	Company 2013 £	2012 £
Accelerated/(decelerated) capital allowances	8,779	(10,117)	11,579	(5,901)

15 Pension and other post-retirement benefit commitments

Defined contribution

	2013 £	2012 £
Contributions payable by the group for the year	31,426	31,765

16 Share capital

	2013 £	2012 £
Allotted, called up and fully paid 336,000 Ordinary of 1p each	3,360	3,360

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

17 Statement of movements on reserves Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2013	90	1,348,266
Profit for the year	-	467,561
Dividends paid	-	(518,776)
Balance at 31 December 2013	90	1,297,051

Other reserves

Capital redemption reserve

Balance at 1 January 2013 & at 31 December 2013

90

Company

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2013	90	55,669
Profit for the year	-	553,932
Dividends paid	-	(518,776)
Balance at 31 December 2013	90	90,825

Other reserves

Capital redemption reserve

Balance at 1 January 2013 & at 31 December 2013

90

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

18 Reconciliation of movements in shareholders' funds	2013	2012
	£	£
Group		
Profit for the financial year	467,561	527,191
Dividends	(518,776)	(478,684)
Share based payment transactions	-	6
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	(51,215)	48,513
Opening shareholders' funds	1,351,716	1,303,203
	<hr/>	<hr/>
Closing shareholders' funds	1,300,501	1,351,716
	<hr/>	<hr/>
	2013	2012
Company	£	£
Profit for the financial year	553,932	504,154
Dividends	(518,776)	(478,684)
Share based payment transactions	-	6
	<hr/>	<hr/>
Net addition to shareholders' funds	35,156	25,476
Opening shareholders' funds	59,119	33,643
	<hr/>	<hr/>
Closing shareholders' funds	94,275	59,119
	<hr/>	<hr/>

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

19 Financial commitments

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date				
Within one year	27,140	37,032	87,876	6,370
Between two and five years	118,701	170,988	92,562	135,696
	<u>145,841</u>	<u>208,020</u>	<u>180,438</u>	<u>142,066</u>

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date				
Within one year	-	-	3,103	-
Between two and five years	85,000	85,000	11,453	13,972
	<u>85,000</u>	<u>85,000</u>	<u>14,556</u>	<u>13,972</u>

20 Capital commitments

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Contracted for but not provided in the financial statements	-	101,433	-	101,433

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

21	Directors' remuneration	2013 £	2012 £
	Remuneration for qualifying services	238,604	247,915

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2012 - 3)

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

Remuneration for qualifying services	100,927	109,792
--------------------------------------	---------	---------

22 Employees

Number of employees

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

	2013 Number	2012 Number
Directors	5	5
Technical	52	50
Operational	23	24
	80	79

Employment costs

	2013 £	2012 £
Wages and salaries	3,014,915	3,114,011
Social security costs	351,269	366,766
Other pension costs	31,426	31,765
	3,397,610	3,512,542

HCD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

23 Related party relationships and transactions

Group

Transactions with other companies within the group have not been disclosed as the company has taken advantage of FRS8 (Related Party Transactions)

During the year the group occupied premises owned by The Amigos Partnership, of which certain directors of the company and their wives are partners. Rent of £85,000 (2012: £85,000) was paid to the partnership during the year. No balances were outstanding at the year end.

During the year HCD Building Control, a subsidiary of HCD Group Limited, also occupied premises owned by a partnership in which certain directors of the company are partners. Rent of £30,000 (2012: £30,000) was paid to the partnership during the year. No balances were outstanding at the year end.