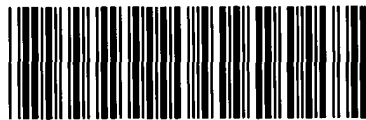


COMPANY REGISTRATION NUMBER: 05765802

YBS Holdings Limited
Financial Statements
For the year ended
30 June 2018

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YBS Holdings Limited

Financial Statements

Year ended 30 June 2018

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YBS Holdings Limited

Officers and Professional Advisers

The board of directors

A Sutcliffe
A P Harrison FCA
D Broadhurst
M Peat
T J Anderson
D I Hill

Company secretary

A P Harrison FCA

Registered office

Access Works
Martin Street
Birstall
Batley
WF17 9PJ

Auditor

Ford Campbell Freedman Limited
Chartered accountants & statutory auditor
34 Park Cross Street
Leeds
LS1 2QH

Bankers

Yorkshire Bank Plc
94 Albion Street
Leeds
LS1 6AG

Solicitors

Walker Morris
Kings Court
12 King Street
Leeds
LS1 2HL

YBS Holdings Limited

Strategic Report

Year ended 30 June 2018

Business Review and Results

The principal activity of the group during the year was that of suppliers of building services.

The results for the year show a solid year and the Directors feel the group has consolidated its position, both in the market place and financially. They consider reserves have reached the level necessary for a group of its size.

Key Performance Indicators

As with all owner managed business the key performance indicators are Turnover, coupled with both Gross and Net profit as the table below.

	2018 £'000	2017 £'000
	£	£
Turnover	31,719	27,746
Gross Profit	4,963	4,478
As a % of turnover	16	16
Net Profit	1,227	966
As a % of turnover	4	3
Shareholders funds	3,908	3,860
Bank Loans & Overdrafts	Nil	Nil

As expected The Directors note that the decline in Gross Profit margin has been halted, and the internal processes and additional management is expected to increase efficiency in 2019.

The Directors do not consider that there are appropriate non-commercial KPIs relevant to the understanding of the business and therefore none are disclosed.

Risks & Uncertainties

There will always be the inherent risk in the construction sector and the Directors will always try, and have always tried, to minimise these and any effects they may have on the business.

A major client is in the process of restructuring however we believe that this will not adversely affect us. The Directors have contingency plans in place to ensure the continued profitability of the group should any decision other than maintaining the status quo be made by this customer. There is also the possibility this restructuring may increase our turnover too.

Brexit does not pose too many concerns for the group as the trade is in Great Britain. We have seen a more positive approach by final clients in investments in the country and the order book for the 2019 calendar year is strong. Some suppliers have used the brexit uncertainty to increase trade prices for 2019 and we have amended our tendering processes to ensure these cost are incorporated in our new systems.

Future Developments


We anticipate turnover increasing and with older contracts coming to an end, we expect profitability will improve. As the financial markets are more stable we hope to have fixed costs to match the quotations and again this should assist margins.

YBS Holdings Limited

Strategic Report *(continued)*

Year ended 30 June 2018

This report was approved by the board of directors on22/11/19..... and signed on behalf of the board by:



A P Harrison FCA
Company Secretary

Registered office:
Access Works
Martin Street
Birstall
Batley
WF17 9PJ

YBS Holdings Limited

Directors' Report

Year ended 30 June 2018

The directors present their report and the financial statements of the group for the year ended 30 June 2018.

Directors

The directors who served the company during the year were as follows:

A Sutcliffe	
A P Harrison FCA	
D Broadhurst	
M Peat	
T J Anderson	(Appointed 1 November 2017)
D I Hill	(Appointed 1 November 2017)

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Disclosure of information in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

YBS Holdings Limited

Directors' Report *(continued)*

Year ended 30 June 2018

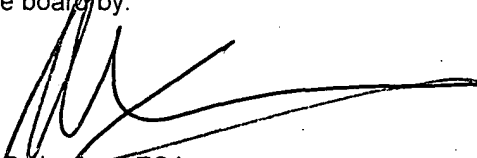
Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 22/1/19 and signed on behalf of the board by:



A P Harrison FCA
Company Secretary

Registered office:
Access Works
Martin Street
Birstall
Batley
WF17 9PJ

YBS Holdings Limited

Independent Auditor's Report to the Members of YBS Holdings Limited

Year ended 30 June 2018

Opinion

We have audited the financial statements of YBS Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2018 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's or the parent 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.

YBS Holdings Limited

Independent Auditor's Report to the Members of YBS Holdings Limited *(continued)*

Year ended 30 June 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

YBS Holdings Limited

Independent Auditor's Report to the Members of YBS Holdings Limited *(continued)*

Year ended 30 June 2018

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 is 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

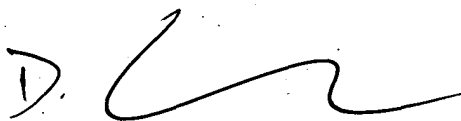
Auditor's responsibilities for the audit of the financial statements

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 an auditor's report 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 auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Dale Coleman FCA (Senior Statutory Auditor)

For and on behalf of
Ford Campbell Freedman Limited
Chartered accountants & statutory auditor

34 Park Cross Street
Leeds
LS1 2QH

22 January 2019

YBS Holdings Limited

Consolidated Statement of Comprehensive Income

Year ended 30 June 2018

	Note	2018 £	2017 £
Turnover	4	31,718,865	27,746,044
Cost of sales		<u>26,756,337</u>	<u>23,268,344</u>
Gross profit		4,962,528	4,477,700
Administrative expenses		3,420,563	3,222,781
Other operating income	5	<u>54,875</u>	<u>63,623</u>
Operating profit	6	1,596,840	1,318,542
Other interest receivable and similar income	10	5,651	6,985
Interest payable and similar expenses	11	<u>34,588</u>	<u>72,057</u>
Profit before taxation		1,567,903	1,253,470
Tax on profit	12	<u>340,939</u>	<u>287,895</u>
Profit for the financial year and total comprehensive income		<u>1,226,964</u>	<u>965,575</u>

All the activities of the group are from continuing operations.

The notes on pages 15 to 27 form part of these financial statements.

YBS Holdings Limited

Consolidated Statement of Financial Position

30 June 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	14	1,742,710	1,936,346
Tangible assets	15	595,574	658,994
		<u>2,338,284</u>	<u>2,595,340</u>
Current assets			
Stocks	17	10,000	10,000
Debtors	18	6,625,157	6,746,212
Cash at bank and in hand		2,232,507	2,507,924
		<u>8,867,664</u>	<u>9,264,136</u>
Creditors: amounts falling due within one year	19	<u>7,147,670</u>	<u>7,824,897</u>
Net current assets		<u>1,719,994</u>	<u>1,439,239</u>
Total assets less current liabilities		<u>4,058,278</u>	<u>4,034,579</u>
Creditors: amounts falling due after more than one year	20	105,526	121,753
Provisions			
Taxation including deferred tax	22	44,698	52,226
Net assets		<u>3,908,054</u>	<u>3,860,600</u>
Capital and reserves			
Called up share capital	25	798	862
Share premium account	26	1,382,654	1,382,654
Capital redemption reserve	26	202	138
Profit and loss account	26	2,524,400	2,476,946
Shareholders funds		<u>3,908,054</u>	<u>3,860,600</u>

These financial statements were approved by the board of directors and authorised for issue on 22/1/18, and are signed on behalf of the board by:



A Sutcliffe
Director

Company registration number: 05765802

The notes on pages 15 to 27 form part of these financial statements.

YBS Holdings Limited

Company Statement of Financial Position

30 June 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	16	3,914,738	3,914,738
Current assets			
Debtors	18	400	—
Cash at bank and in hand		282	82,715
		<u>682</u>	<u>82,715</u>
Creditors: amounts falling due within one year	19	<u>1,608,192</u>	<u>1,693,265</u>
Net current liabilities		<u>1,607,510</u>	<u>1,610,550</u>
Total assets less current liabilities		<u>2,307,228</u>	<u>2,304,188</u>
Net assets		<u>2,307,228</u>	<u>2,304,188</u>
Capital and reserves			
Called up share capital	25	798	862
Share premium account	26	1,382,654	1,382,654
Capital redemption reserve	26	202	138
Profit and loss account	26	923,574	920,534
Shareholders funds		<u>2,307,228</u>	<u>2,304,188</u>

The profit for the financial year of the parent company was £1,182,550 (2017: £719,935).

These financial statements were approved by the board of directors and authorised for issue on 22/1/18, and are signed on behalf of the board by:



A Sutcliffe
Director

Company registration number: 05765802

The notes on pages 15 to 27 form part of these financial statements.

YBS Holdings Limited

Consolidated Statement of Changes in Equity

Year ended 30 June 2018

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 July 2016	926	1,382,654	74	2,228,871	3,612,525
Profit for the year	—	—	—	965,575	965,575
Total comprehensive income for the year	—	—	—	965,575	965,575
Dividends paid and payable 13	—	—	—	(397,500)	(397,500)
Cancellation of subscribed capital	(64)	—	64	(320,000)	(320,000)
Total investments by and distributions to owners	(64)	—	64	(717,500)	(717,500)
At 30 June 2017	862	1,382,654	138	2,476,946	3,860,600
Profit for the year	—	—	—	1,226,964	1,226,964
Total comprehensive income for the year	—	—	—	1,226,964	1,226,964
Dividends paid and payable 13	—	—	—	(859,510)	(859,510)
Cancellation of subscribed capital	(64)	—	64	(320,000)	(320,000)
Total investments by and distributions to owners	(64)	—	64	(1,179,510)	(1,179,510)
At 30 June 2018	798	1,382,654	202	2,524,400	3,908,054

The notes on pages 15 to 27 form part of these financial statements.

YBS Holdings Limited

Company Statement of Changes in Equity

Year ended 30 June 2018

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 July 2016	926	1,382,654	74	918,099	2,301,753
Profit for the year	—	—	—	719,935	719,935
Total comprehensive income for the year	—	—	—	719,935	719,935
Dividends paid and payable 13	—	—	—	(397,500)	(397,500)
Cancellation of subscribed capital	(64)	—	64	(320,000)	(320,000)
Total investments by and distributions to owners	(64)	—	64	(717,500)	(717,500)
At 30 June 2017	862	1,382,654	138	920,534	2,304,188
Profit for the year	—	—	—	1,182,550	1,182,550
Total comprehensive income for the year	—	—	—	1,182,550	1,182,550
Dividends paid and payable 13	—	—	—	(859,510)	(859,510)
Cancellation of subscribed capital	(64)	—	64	(320,000)	(320,000)
Total investments by and distributions to owners	(64)	—	64	(1,179,510)	(1,179,510)
At 30 June 2018	<u>798</u>	<u>1,382,654</u>	<u>202</u>	<u>923,574</u>	<u>2,307,228</u>

The notes on pages 15 to 27 form part of these financial statements.

YBS Holdings Limited

Consolidated Statement of Cash Flows

Year ended 30 June 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	1,226,964	965,575
<i>Adjustments for:</i>		
Depreciation of tangible assets	211,435	188,012
Amortisation of intangible assets	193,636	193,636
Other interest receivable and similar income	(5,651)	(6,985)
Interest payable and similar expenses	34,588	72,057
(Gains)/loss on disposal of tangible assets	(173)	24,215
Tax on profit	340,939	287,895
Accrued expenses/(income)	68,747	(235,301)
<i>Changes in:</i>		
Trade and other debtors	121,055	(983,820)
Trade and other creditors	(792,628)	87,224
Cash generated from operations	1,398,912	592,508
Interest paid	(34,588)	(72,057)
Interest received	5,651	6,985
Tax paid	(282,592)	(477,835)
Net cash from operating activities	1,087,383	49,601
Cash flows from investing activities		
Purchase of tangible assets	(177,984)	(334,442)
Proceeds from sale of tangible assets	30,142	152,313
Net cash used in investing activities	(147,842)	(182,129)
Cash flows from financing activities		
Purchase of own shares	(320,000)	(320,000)
Payments of finance lease liabilities	(35,448)	(31,451)
Dividends paid	(859,510)	(397,500)
Net cash used in financing activities	(1,214,958)	(748,951)
Net decrease in cash and cash equivalents	(275,417)	(881,479)
Cash and cash equivalents at beginning of year	2,507,924	3,389,403
Cash and cash equivalents at end of year	2,232,507	2,507,924

The notes on pages 15 to 27 form part of these financial statements.

YBS Holdings Limited

Notes to the Financial Statements

Year ended 30 June 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Access Works, Martin Street, Birstall, Batley, WF17 9PJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

YBS Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

3. Accounting policies *(continued)*

Revenue recognition

Turnover, which is stated net of value added tax represents sales to third parties. Long term contracts are included in turnover on the basis of the sales value of the work performed during the year by reference to the total sales value and stage of completion of those contracts.

A proportion of the profit on long term contracts is taken if the final outcome can be assessed with reasonable certainty. Profit is stated after providing for known losses and contingencies. Where sales values attributed to long term contracts are greater than the cash received or invoiced amounts, the excess is shown in amounts recoverable on contracts. If the sales value is lower than the cash received or invoiced amount, the balance is shown in payments received on account.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - over 20 years

YBS Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

3. Accounting policies *(continued)*

Amortisation *(continued)*

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 20% straight line
Motor Vehicles	- 25% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

YBS Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2018 £	2017 £
Construction contracts	<u>31,718,865</u>	<u>27,746,044</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Other operating income

	2018 £	2017 £
Other operating income	<u>54,875</u>	<u>63,623</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2018 £	2017 £
Amortisation of intangible assets	193,636	193,636
Depreciation of tangible assets	211,435	188,012
(Gains)/loss on disposal of tangible assets	(173)	24,215
Impairment of trade debtors	<u>(328)</u>	<u>43,988</u>

YBS Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

7. Auditor's remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<u>19,000</u>	<u>17,500</u>

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2018 No.	2017 No.
Production staff	36	38
Administrative staff	39	33
Management staff	4	4
	<u>79</u>	<u>75</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018 £	2017 £
Wages and salaries	3,873,117	3,560,234
Social security costs	798,988	470,572
Other pension costs	142,318	120,725
	<u>4,814,423</u>	<u>4,151,531</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018 £	2017 £
Remuneration	907,624	770,885
Company contributions to defined contribution pension plans	112,751	50,040
	<u>1,020,375</u>	<u>820,925</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2018 No.	2017 No.
Defined contribution plans	<u>4</u>	<u>4</u>

Remuneration of the highest paid director in respect of qualifying services:

	2018 £	2017 £
Aggregate remuneration	301,485	291,114
Company contributions to defined contribution pension plans	40,050	15,377
	<u>341,535</u>	<u>306,491</u>

YBS Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

10. Other interest receivable and similar income

	2018 £	2017 £
Interest on cash and cash equivalents	5,651	4,930
Other interest receivable and similar income	–	2,055
	<u>5,651</u>	<u>6,985</u>

11. Interest payable and similar expenses

	2018 £	2017 £
Interest on banks loans and overdrafts	34	–
Interest on obligations under finance leases and hire purchase contracts	9,936	13,455
Other interest payable and similar charges	<u>24,618</u>	<u>58,602</u>
	<u>34,588</u>	<u>72,057</u>

12. Tax on profit

Major components of tax income

	2018 £	2017 £
Current tax:		
UK current tax income	348,467	284,954
Adjustments in respect of prior periods	–	(2,299)
Total current tax	<u>348,467</u>	<u>282,655</u>
Deferred tax:		
Origination and reversal of timing differences	<u>(7,528)</u>	<u>5,240</u>
Tax on profit	<u>340,939</u>	<u>287,895</u>

YBS Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

12. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018 £	2017 £
Profit on ordinary activities before taxation	<u>1,567,903</u>	<u>1,253,470</u>
Profit on ordinary activities by rate of tax	297,902	258,131
Effect of expenses not deductible for tax purposes	45,548	41,739
Effect of capital allowances and depreciation	5,017	(11,319)
Over/(under) provision in prior years	–	(2,299)
Deferred tax movement	(7,528)	5,240
Change in tax charge rate	–	(3,597)
Tax on profit	<u>340,939</u>	<u>287,895</u>

13. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2018 £	2017 £
Equity dividends on ordinary A shares	722,930	344,500
Equity dividends on ordinary B shares	<u>136,580</u>	<u>53,000</u>
	<u>859,510</u>	<u>397,500</u>

14. Intangible assets

Group	Goodwill £
Cost	
At 1 July 2017 and 30 June 2018	<u>3,872,705</u>
Amortisation	
At 1 July 2017	1,936,359
Charge for the year	193,636
At 30 June 2018	<u>2,129,995</u>
Carrying amount	
At 30 June 2018	<u>1,742,710</u>
At 30 June 2017	<u>1,936,346</u>

The company has no intangible assets.

YBS Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

15. Tangible assets

Group	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 July 2017	156,221	1,002,828	1,159,049
Additions	12,593	165,391	177,984
Disposals	—	(138,679)	(138,679)
At 30 June 2018	168,814	1,029,540	1,198,354
Depreciation			
At 1 July 2017	81,772	418,283	500,055
Charge for the year	29,229	182,206	211,435
Disposals	—	(108,710)	(108,710)
At 30 June 2018	111,001	491,779	602,780
Carrying amount			
At 30 June 2018	57,813	537,761	595,574
At 30 June 2017	74,449	584,545	658,994

The company has no tangible assets.

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group	Motor vehicles £
At 30 June 2018	440,500
At 30 June 2017	520,719

16. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 July 2017 and 30 June 2018	3,914,738
Impairment	
At 1 July 2017 and 30 June 2018	—

YBS Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

16. Investments *(continued)*

Company	Shares in group undertakings £
Carrying amount	
At 1 July 2017 and 30 June 2018	<u>3,914,738</u>
At 30 June 2017	<u>3,914,738</u>

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Class of share	Percentage of shares held
Yorkshire Building Services Limited	Ordinary	100

17. Stocks

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Raw materials and consumables	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>

18. Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	4,755,090	4,613,701	-	-
Prepayments and accrued income	97,813	69,791	400	-
Amounts recoverable on contracts	1,753,805	2,048,406	-	-
Other debtors	18,449	14,314	-	-
	<u>6,625,157</u>	<u>6,746,212</u>	<u>400</u>	<u>-</u>

YBS Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

19. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Payments received on account	579,000	86,900	—	—
Trade creditors	4,587,046	5,985,279	—	—
Amounts owed to group undertakings	—	—	1,605,792	1,690,865
Accruals and deferred income	532,190	463,443	2,400	2,400
Corporation tax	168,860	102,985	—	—
Social security and other taxes	516,263	605,314	—	—
Obligations under finance leases and hire purchase contracts	124,255	143,476	—	—
Other creditors	640,056	437,500	—	—
	<u>7,147,670</u>	<u>7,824,897</u>	<u>1,608,192</u>	<u>1,693,265</u>

There is a fixed and floating charge over all of the company's assets in existence at the year end in favour of Yorkshire Bank plc.

Amounts due under hire purchase agreements are secured on the underlying assets.

20. Creditors: amounts falling due after more than one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Obligations under finance leases and hire purchase contracts	<u>105,526</u>	<u>121,753</u>	<u>—</u>	<u>—</u>

21. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Not later than 1 year	124,255	143,476	—	—
Later than 1 year and not later than 5 years	<u>105,526</u>	<u>121,753</u>	<u>—</u>	<u>—</u>
	<u>229,781</u>	<u>265,229</u>	<u>—</u>	<u>—</u>

YBS Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

22. Provisions

Group	Deferred tax (note 23) £
At 1 July 2017	52,226
Charge against provision	(7,528)
At 30 June 2018	<u>44,698</u>

The company does not have any provisions.

23. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Included in provisions (note 22)	<u>44,698</u>	<u>52,226</u>	<u>-</u>	<u>-</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Accelerated capital allowances	<u>44,698</u>	<u>52,226</u>	<u>-</u>	<u>-</u>

24. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £30,767 (2017: £70,685).

25. Called up share capital

Authorised share capital

	2018		2017	
	No.	£	No.	£
Ordinary A shares of £1 each	698	698.00	762	762.00
Ordinary B shares of £1 each	100	100.00	100	100.00
	<u>798</u>	<u>798.00</u>	<u>862</u>	<u>862.00</u>

YBS Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

25. Called up share capital *(continued)*

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary A shares of £1 each	698	698.00	762	762.00
Ordinary B shares of £1 each	100	100.00	100	100.00
	<u>798</u>	<u>798.00</u>	<u>862</u>	<u>862.00</u>

Share movements

	No.	£
Ordinary A		
At 1 July 2017	762	762
Shares cancelled	(64)	(64)
At 30 June 2018	<u>698</u>	<u>698</u>

The number of shares outstanding at the year end date for all other classes of shares is consistent with the prior year.

During the year the company purchased 64 Ordinary A shares of £1 each for £320,000. In the same contract it committed to purchase a further 112 Ordinary A shares of £1 each. The company has until 31 March 2019 to complete this transaction.

The 64 Ordinary A £1 shares represents 7.4% of the total issued share capital.

26. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

27. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Not later than 1 year	29,500	29,500	—	—
Later than 1 year and not later than 5 years	91,875	98,000	—	—
Later than 5 years	—	18,375	—	—
	<u>121,375</u>	<u>145,875</u>	<u>—</u>	<u>—</u>

YBS Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

28. Related party transactions

Group

During the year the group entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2018 £	2017 £	2018 £	2017 £
Trade with company under common ownership	(891,127)	(877,565)	(128,096)	(205,007)
YBS Pension Scheme	(24,500)	(24,500)	—	—
Directors interest charged on loan accounts	<u>(22,075)</u>	<u>(58,602)</u>	<u>—</u>	<u>—</u>

Company

There is no single controlling party by virtue of shareholdings.