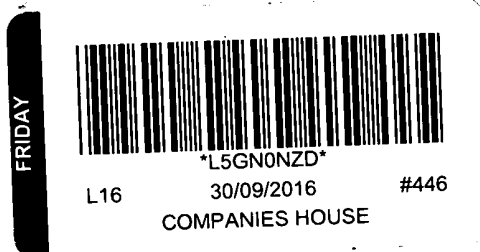


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REGISTERED NUMBER: 05957569 (England and Wales)

**AKAAL GROUP PLC
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**



Perrys Accountants Limited
Chartered Accountants
and Statutory Auditors
3 Roberts Mews
Orpington
Kent
BR6 0JP

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Consolidated Income Statement	8
Consolidated Other Comprehensive Income	9
Consolidated Balance Sheet	10
Company Balance Sheet	11
Consolidated Statement of Changes in Equity	12
Company Statement of Changes in Equity	13
Consolidated Cash Flow Statement	14
Notes to the Consolidated Cash Flow Statement	15
Notes to the Consolidated Financial Statements	16

AKAAL GROUP PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2016**

DIRECTORS:

R S Manak
Mrs H K Manak

SECRETARY:

M Ambersley

REGISTERED OFFICE:

Stanmore House
Gyproc Business Park
Church Manorway
Erith
Kent
DA8 1DE

REGISTERED NUMBER:

05957569 (England and Wales)

AUDITORS:

Perrys Accountants Limited
Chartered Accountants
and Statutory Auditors
3 Roberts Mews
Orpington
Kent
BR6 0JP

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their strategic report of the company and the group for the year ended 31 March 2016.

REVIEW OF BUSINESS

The group has had another successful year increasing pre-tax profits by 23%. The group is able to provide full external façade packages including cladding, windows, structural and architectural metal work and internal plastering and drylining works.

The growth in turnover has been achieved by being able to, not only, provide a full suite of packages but to be able to continue to deliver a good quality service earning the group a great reputation within the market.

The group continues to inspire development and leadership in its sector by providing internal management training programs and, continually, strives to improve its financial systems to mitigate all wasted costs.

I would like to thank all our clients, employees and suppliers for their continued support.

KEY PERFORMANCE INDICATORS

	2016	2015	2014
Sales revenue	£108.0 million	£117.3 million	£ 88.6 million
Gross profit	£ 28.1 million	£ 24.8 million	£ 18.6 million
Gross profit margin	26.0%	21.1%	21.0%
Net profit before tax	£ 16.5 million	£ 13.4 million	£ 9.9 million

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

PRINCIPAL RISKS AND UNCERTAINTIES

There has been much reporting in the media of a slowing in the new housing sector, however, because of the Governments commitment to building more affordable homes, this puts the group in a good position.

There is, however, a shortage of skilled labour in the marketplace as a whole and there is a concern, therefore, that labour costs may rise. Whilst such costs, should they rise, would affect margins, due to the continued improvements in the groups systems, it is not considered that this will significantly affect the pre-tax profits.

Exposure to liquidity, credit, cash flow and interest rate risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The group aims to mitigate liquidity risk by managing cash generation by its operations.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Group policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. Details of the group's debtors including retentions are shown in Note 12 to the financial statements. The group's clients well recognised 'Blue Chip' companies and the debtors are well spread over these clients.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The group aims to mitigate liquidity risk by managing cash generation by its operations and by applying rigorous procedures for settling final accounts and collecting debtors as they fall due, including retentions.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, such as future interest payments on a variable rate debt. The group manages this risk by ensuring there are sufficient ongoing cash reserves to meet obligations.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a stylized 'R' followed by a long, wavy horizontal line that ends in a small upward hook.

R S Manak - Director

28 September 2016

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2016.

CONVERSION TO FRS 102

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

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 April 2014. There has been no effect on the reported financial position and financial performance as a result of the transition to FRS 102.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of providing full façade packages for, principally the housing sector.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2016 was £2,193,789 (2015: £900,031).

FUTURE DEVELOPMENTS

As the group continues to provide full external façade packages along with more traditional plastering and drylining operations to its wide client base, it is expected that turnover will continue to increase in the coming year. It is expected that gross margins will be maintained and overhead levels will continue to be controlled.

The group will continue to invest in freehold property when the right opportunities arise.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

R S Manak
Mrs H K Manak

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 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 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group'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.

AKAAL GROUP PLC (REGISTERED NUMBER: 05957569)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2016**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Perrys Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a large, stylized capital 'R' followed by a long, wavy horizontal line that ends in a small upward hook.

R S Manak - Director

28 September 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AKAAL GROUP PLC

We have audited the financial statements of Akaal Group Plc for the year ended 31 March 2016 on pages eight to twenty five. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 group's and the parent 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 Group Strategic Report and the Report of the Directors 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 of the parent company's affairs as at 31 March 2016 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AKAAL GROUP PLC**

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.

Stephen Hale (Senior Statutory Auditor)
for and on behalf of Perrys Accountants Limited
Chartered Accountants
and Statutory Auditors
3 Roberts Mews
Orpington
Kent
BR6 0JP

Date: 28/9/16

AKAAL GROUP PLC (REGISTERED NUMBER: 05957569)

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
TURNOVER		108,020,284	117,260,030
Cost of sales		79,939,127	92,505,277
GROSS PROFIT		28,081,157	24,754,753
Administrative expenses		11,703,620	11,431,194
		16,377,537	13,323,559
Other operating income		216,500	171,570
OPERATING PROFIT	3	16,594,037	13,495,129
Profit/loss on sale of invest		2,961	-
		16,596,998	13,495,129
Interest receivable and similar income		36,013	26,573
		16,633,011	13,521,702
Interest payable and similar charges	4	170,237	141,640
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		16,462,774	13,380,062
Tax on profit on ordinary activities	5	3,343,866	2,909,880
PROFIT FOR THE FINANCIAL YEAR		13,118,908	10,470,182
Profit attributable to: Owners of the parent		13,118,908	10,470,182

The notes form part of these financial statements

AKAAL GROUP PLC (REGISTERED NUMBER: 05957569)

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		13,118,908	10,470,182
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>13,118,908</u>	<u>10,470,182</u>
Total comprehensive income attributable to: Owners of the parent		<u>13,118,908</u>	<u>10,470,182</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 MARCH 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	8	7,663,536	7,358,797
Investments	9	-	-
Investment property	10	3,926,811	3,538,695
		<u>11,590,347</u>	<u>10,897,492</u>
CURRENT ASSETS			
Stocks	11	1,866,007	1,609,520
Debtors	12	27,731,736	24,212,049
Cash at bank and in hand		24,815,021	11,085,142
		<u>54,412,764</u>	<u>36,906,711</u>
CREDITORS			
Amounts falling due within one year	13	19,922,508	12,907,803
NET CURRENT ASSETS		<u>34,490,256</u>	<u>23,998,908</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>46,080,603</u>	<u>34,896,400</u>
CREDITORS			
Amounts falling due after more than one year	14	(3,554,533)	(3,301,461)
PROVISIONS FOR LIABILITIES	18	(119,827)	(113,815)
NET ASSETS		<u>42,406,243</u>	<u>31,481,124</u>
CAPITAL AND RESERVES			
Called up share capital	19	61,601	61,601
Consolidation reserve	20	3,258,005	3,258,005
Retained earnings	20	39,086,637	28,161,518
SHAREHOLDERS' FUNDS		<u>42,406,243</u>	<u>31,481,124</u>

The financial statements were approved by the Board of Directors on 28 September 2016 and were signed on its behalf by:



R S Manak - Director

COMPANY BALANCE SHEET
31 MARCH 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	8	5,093,674	5,242,262
Investments	9	2,500,447	2,500,447
Investment property	10	3,926,811	3,538,695
		<u>11,520,932</u>	<u>11,281,404</u>
CURRENT ASSETS			
Debtors	12	347,398	1,402,821
Cash at bank		16,259,783	192,703
		<u>16,607,181</u>	<u>1,595,524</u>
CREDITORS			
Amounts falling due within one year	13	3,417,067	3,437,159
NET CURRENT ASSETS/(LIABILITIES)		<u>13,190,114</u>	<u>(1,841,635)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,711,046</u>	<u>9,439,769</u>
CREDITORS			
Amounts falling due after more than one year	14	(2,860,221)	(2,607,149)
PROVISIONS FOR LIABILITIES	18	(2,117)	-
NET ASSETS		<u>21,848,708</u>	<u>6,832,620</u>
CAPITAL AND RESERVES			
Called up share capital	19	61,601	61,601
Retained earnings	20	21,787,107	6,771,019
SHAREHOLDERS' FUNDS		<u>21,848,708</u>	<u>6,832,620</u>

The financial statements were approved by the Board of Directors on 28 September 2016 and were signed on its behalf by:



R S Manak - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital £	Retained earnings £	Consolidation reserve £	Total equity £
Balance at 1 April 2014	61,601	18,591,367	3,258,005	21,910,973
Changes in equity				
Dividends	-	(900,031)	-	(900,031)
Total comprehensive income	-	10,470,182	-	10,470,182
Balance at 31 March 2015	<u>61,601</u>	<u>28,161,518</u>	<u>3,258,005</u>	<u>31,481,124</u>
Changes in equity				
Dividends	-	(2,193,789)	-	(2,193,789)
Total comprehensive income	-	13,118,908	-	13,118,908
Balance at 31 March 2016	<u>61,601</u>	<u>39,086,637</u>	<u>3,258,005</u>	<u>42,406,243</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2014	61,601	865,095	926,696
Changes in equity			
Dividends	-	(900,031)	(900,031)
Total comprehensive income	-	6,805,955	6,805,955
Balance at 31 March 2015	<u>61,601</u>	<u>6,771,019</u>	<u>6,832,620</u>
Changes in equity			
Dividends	-	(2,193,789)	(2,193,789)
Total comprehensive income	-	17,209,877	17,209,877
Balance at 31 March 2016	<u>61,601</u>	<u>21,787,107</u>	<u>21,848,708</u>

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	18,124,072	9,162,632
Interest paid		(83,039)	(75,451)
Interest element of hire purchase payments paid		(87,198)	(66,189)
Tax paid		(2,759,463)	(2,934,981)
Net cash from operating activities		<u>15,194,372</u>	<u>6,086,011</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,201,713)	(1,737,140)
Purchase of investment property		(388,116)	(1,123,825)
Sale of tangible fixed assets		1,837,540	145,590
Interest received		36,013	26,573
Net cash from investing activities		<u>283,724</u>	<u>(2,688,802)</u>
Cash flows from financing activities			
New loans in year		1,150,000	339,300
Loan repayments in year		(832,104)	(273,217)
Capital repayments in year		(857,399)	(561,393)
Movement on directors loan account		985,075	(1,141,046)
Equity dividends paid		(2,193,789)	(900,031)
Net cash from financing activities		<u>(1,748,217)</u>	<u>(2,536,387)</u>
Increase in cash and cash equivalents		<u>13,729,879</u>	<u>860,822</u>
Cash and cash equivalents at beginning of year	2	<u>11,085,142</u>	<u>10,224,320</u>
Cash and cash equivalents at end of year	2	<u><u>24,815,021</u></u>	<u><u>11,085,142</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

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

	2016 £	2015 £
Profit before taxation	16,462,774	13,380,062
Depreciation charges	754,168	580,992
(Profit)/loss on disposal of fixed assets	(663,753)	11,073
Finance costs	170,237	141,640
Finance income	(36,013)	(26,573)
	<u>16,687,413</u>	<u>14,087,194</u>
Increase in stocks	(256,487)	(630,335)
Increase in trade and other debtors	(4,471,047)	(3,878,071)
Increase/(decrease) in trade and other creditors	<u>6,164,193</u>	<u>(416,156)</u>
Cash generated from operations	<u><u>18,124,072</u></u>	<u><u>9,162,632</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2016

	31.3.16 £	1.4.15 £
Cash and cash equivalents	<u><u>24,815,021</u></u>	<u><u>11,085,142</u></u>

Year ended 31 March 2015

	31.3.15 £	1.4.14 £
Cash and cash equivalents	<u><u>11,085,142</u></u>	<u><u>10,224,320</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements incorporate those of Akaal Group PLC and all of its subsidiaries, Stanmore Contractors Limited, Stanmore Steel & Fabrication Limited and Manak Homes Limited. All combinations have been accounted for using the acquisition method of accounting.

Turnover

Turnover represents amounts receivable during the period for goods and services provided.

Tangible fixed assets

Depreciation is not provided on freehold land. The freehold land is included in the accounts at cost. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold buildings	- 2% on cost
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on reducing balance

Investment properties

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit and loss.

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are only recognised to the extent that they are recoverable in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

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

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

2. STAFF COSTS

	2016 £	2015 £
Wages and salaries	8,206,098	7,182,447
Social security costs	870,736	760,475
Other pension costs	269,216	300,262
	<u>9,346,050</u>	<u>8,243,184</u>

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

	2016	2015
Management and administration	137	132
Production	108	105
	<u>245</u>	<u>237</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2016 £	2015 £
Other operating leases	19,763	13,630
Depreciation - owned assets	346,805	289,974
Depreciation - assets on hire purchase contracts	407,363	291,319
(Profit)/loss on disposal of fixed assets	(663,753)	11,073
Auditors' remuneration	46,730	47,446
Auditors' remuneration for non audit work	29,369	57,029
	<u>162,640</u>	<u>167,735</u>
Directors' remuneration	162,640	167,735
Directors' pension contributions to money purchase schemes	47,715	152,620
	<u>47,715</u>	<u>152,620</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2016	2015
Money purchase schemes	<u>1</u>	<u>1</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Bank interest	-	7
Bank loan interest	83,039	75,444
Other interest	87,198	66,189
	<u>170,237</u>	<u>141,640</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016
5. TAXATION**Analysis of the tax charge**

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

	2016 £	2015 £
Current tax:		
UK corporation tax	3,337,176	2,824,865
Corporation tax under (over) provided	678	36,906
Total current tax	3,337,854	2,861,771
Deferred tax	6,012	48,109
Tax on profit on ordinary activities	<u>3,343,866</u>	<u>2,909,880</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>16,462,774</u>	<u>13,380,062</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	3,292,555	2,809,813
Effects of:		
Depreciation	150,834	122,009
Loss on disposal of assets	(132,751)	2,325
Capital allowances	(152,998)	(169,005)
Non-allowable expenses	49,506	60,214
Under-provided corporation tax from previous year	678	36,906
Marginal relief	-	(491)
Deferred taxation	6,012	48,109
Capital gains	130,622	-
Profit on disposal of investment	(592)	-
Total tax charge	<u>3,343,866</u>	<u>2,909,880</u>

6. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £17,209,877 (2015 - £6,805,955).

7. DIVIDENDS

	2016 £	2015 £
Ordinary share of £1 Interim	<u>2,193,789</u>	<u>900,031</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

8. TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2015	5,302,633	235,939	398,125
Additions	952,680	17,459	86,156
Disposals	(1,018,271)	-	(39,292)
At 31 March 2016	5,237,042	253,398	444,989
DEPRECIATION			
At 1 April 2015	155,489	56,417	248,381
Charge for year	47,800	38,131	32,014
Eliminated on disposal	(11,302)	-	(9,825)
At 31 March 2016	191,987	94,548	270,570
NET BOOK VALUE			
At 31 March 2016	5,045,055	158,850	174,419
At 31 March 2015	5,147,144	179,522	149,744
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2015	2,842,112	564,365	9,343,174
Additions	1,049,826	126,573	2,232,694
Disposals	(473,981)	(4,788)	(1,536,332)
At 31 March 2016	3,417,957	686,150	10,039,536
DEPRECIATION			
At 1 April 2015	1,179,691	344,399	1,984,377
Charge for year	524,579	111,644	754,168
Eliminated on disposal	(339,324)	(2,094)	(362,545)
At 31 March 2016	1,364,946	453,949	2,376,000
NET BOOK VALUE			
At 31 March 2016	2,053,011	232,201	7,663,536
At 31 March 2015	1,662,421	219,966	7,358,797

Included in the above are fixed assets which are held under hire purchase contracts. These consist of plant and machinery with a net book value of £8,277 (2015: £10,969) and a depreciation charge for the year of £2,742 (2015: £3,656), and motor vehicles with a net book value of £1,405,047 (2015: £1,337,621) and a depreciation charge for the year of £404,621 (2015: £287,663)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

8. TANGIBLE FIXED ASSETS - continued

Company	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 April 2015	5,296,543	100,000	50,000	5,446,543
Additions	933,494	-	-	933,494
Disposals	(1,016,871)	-	(11,250)	(1,028,121)
At 31 March 2016	5,213,166	100,000	38,750	5,351,916
DEPRECIATION				
At 1 April 2015	154,886	32,500	16,895	204,281
Charge for year	45,534	16,875	6,414	68,823
Eliminated on disposal	(11,061)	-	(3,801)	(14,862)
At 31 March 2016	189,359	49,375	19,508	258,242
NET BOOK VALUE				
At 31 March 2016	5,023,807	50,625	19,242	5,093,674
At 31 March 2015	5,141,657	67,500	33,105	5,242,262

9. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
COST	
At 1 April 2015 and 31 March 2016	2,500,447
NET BOOK VALUE	
At 31 March 2016	2,500,447
At 31 March 2015	2,500,447

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries**Stanmore Contractors Limited**

Nature of business: Provision of facade packages

Class of shares:	%
Ordinary A	holding
Ordinary B	100.00
	100.00

Stanmore Steel & Fabrication Limited

Nature of business: Steel fabrication

Class of shares:	%
Ordinary	holding
	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

9. FIXED ASSET INVESTMENTS - continued

Manak Homes Limited

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

The two trading subsidiaries Stanmore Contractors Limited and Stanmore Steel & Fabrication Limited are included within these consolidated financial statements.

10. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 April 2015	3,538,695
Additions	388,116
	<hr/>
At 31 March 2016	3,926,811
	<hr/>
NET BOOK VALUE	
At 31 March 2016	3,926,811
	<hr/>
At 31 March 2015	3,538,695
	<hr/>

Company

	Total £
FAIR VALUE	
At 1 April 2015	3,538,695
Additions	388,116
	<hr/>
At 31 March 2016	3,926,811
	<hr/>
NET BOOK VALUE	
At 31 March 2016	3,926,811
	<hr/>
At 31 March 2015	3,538,695
	<hr/>

The director has assessed that the fair value of the investment properties at 31 March 2016 is £3,926,811, based on a minimal mark price in an active market.

11. STOCKS

	Group	
	2016	2015
	£	£
Stocks	1,866,007	1,609,520
	<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	25,557,364	20,867,566	13,358	24,832
Amounts owed by group undertakings	-	-	-	38,520
Other debtors	1,895,205	2,049,876	329,000	388,000
Directors' current accounts	-	951,360	-	951,361
Prepayments and accrued income	279,167	343,247	5,040	108
	<u>27,731,736</u>	<u>24,212,049</u>	<u>347,398</u>	<u>1,402,821</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts (see note 15)	348,263	283,439	348,263	283,439
Hire purchase contracts (see note 16)	574,120	400,538	-	-
Trade creditors	12,912,045	8,091,004	6	5,102
Amounts owed to group undertakings	-	-	2,851,203	3,126,826
Tax	1,869,720	1,291,329	166,827	-
Social security and other taxes	1,163,684	1,152,843	10,540	13,117
Other creditors	46,399	32,772	-	-
Directors' current accounts	35,128	1,413	35,128	-
Accrued expenses	2,973,149	1,654,465	5,100	8,675
	<u>19,922,508</u>	<u>12,907,803</u>	<u>3,417,067</u>	<u>3,437,159</u>

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans (see note 15)	2,860,221	2,607,149	2,860,221	2,607,149
Hire purchase contracts (see note 16)	694,312	694,312	-	-
	<u>3,554,533</u>	<u>3,301,461</u>	<u>2,860,221</u>	<u>2,607,149</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Amounts falling due within one year or on demand:				
Bank loans	<u>348,263</u>	<u>283,439</u>	<u>348,263</u>	<u>283,439</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>348,353</u>	<u>283,439</u>	<u>348,353</u>	<u>283,439</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>797,641</u>	<u>714,533</u>	<u>797,641</u>	<u>714,533</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>1,714,227</u>	<u>1,609,177</u>	<u>1,714,227</u>	<u>1,609,177</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2016 £	2015 £
Net obligations repayable:		
Within one year	574,120	400,538
Between one and five years	<u>694,312</u>	<u>694,312</u>
	<u>1,268,432</u>	<u>1,094,850</u>

17. SECURED DEBTS

The group's overdraft facility is secured by fixed and floating charges over the group's assets both present and future.

The group has entered into a cross guarantee arrangement with its bankers in relation to Stanmore Contractors Limited, Akaal Group PLC and Stanmore Steel & Fabrications Ltd.

At 31 March 2016, loans in all group companies, subject to guarantee by the group, amounted to £3,208,484 (2015 - £2,890,588). These loans are also secured by way of legal mortgages over the group's freehold and investment properties.

Hire purchase liabilities totalling £1,268,432 (2015 - £1,094,850) are secured on the assets purchased under the hire purchase agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

18. PROVISIONS FOR LIABILITIES

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Deferred tax	<u>119,827</u>	<u>113,815</u>	<u>2,117</u>	<u>-</u>
Group				
				Deferred tax £
Balance at 1 April 2015				113,815
Deferred tax				<u>6,012</u>
Balance at 31 March 2016				<u>119,827</u>
Company				
				Deferred tax £
Deferred tax				<u>2,117</u>
Balance at 31 March 2016				<u>2,117</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
1	Ordinary	£1	1	1
61,100	Ordinary A	£1	61,100	61,100
500	Ordinary B	£1	<u>500</u>	<u>500</u>
			<u>61,601</u>	<u>61,601</u>

20. RESERVES

Group	Retained earnings £	Consolidation reserve £	Totals £
At 1 April 2015	28,161,518	3,258,005	31,419,523
Profit for the year	13,118,908		13,118,908
Dividends	<u>(2,193,789)</u>		<u>(2,193,789)</u>
At 31 March 2016	<u>39,086,637</u>	<u>3,258,005</u>	<u>42,344,642</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

20. RESERVES - continued

Company

	Retained earnings £
At 1 April 2015	6,771,019
Profit for the year	17,209,877
Dividends	(2,193,789)
	<hr/>
At 31 March 2016	<u>21,787,107</u>

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 March 2016 and 31 March 2015:

	2016 £	2015 £
R S Manak		
Balance outstanding at start of year	951,360	-
Amounts advanced	35,404	951,360
Amounts repaid	(1,021,892)	-
Balance outstanding at end of year	<u>(35,128)</u>	<u>951,360</u>

22. RELATED PARTY DISCLOSURES

During the year, total dividends of £2,193,789 were paid to the directors.

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is R S Manak by virtue of his shareholding.

24. TRANSITION TO FRS102

There has been no effect on the reported financial position and financial performance as a result of the transition to FRS102.