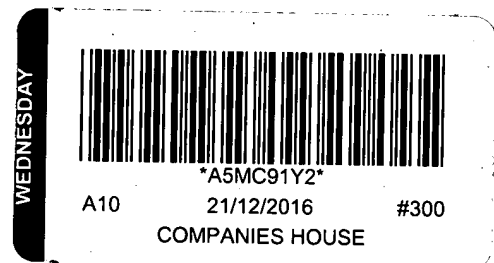


COMPANY REGISTRATION NUMBER: 06410221

NOVITAS GROUP LIMITED

GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016



Novitas Group Limited
Company Registration Number 06410221

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For the year ended 31 March 2016

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Novitas Group Limited
Company Registration Number 06410221

DIRECTOR: B Davies

SECRETARY: M Holland

REGISTERED OFFICE: Forward House
Mount Street
Bradford
West Yorkshire
BD3 9SR

REGISTERED NUMBER: 06410221

AUDITORS: Stirk Lambert & Co
Chartered Accountants
Registered Auditors
Russell Chambers
61A North Street
Keighley
West Yorkshire
BD21 3DS

Novitas Group Limited
Company Registration Number 06410221

Group Strategic Report
for the Year ended 31 March 2016

The director presents his strategic report on the group for the year ended 31 March 2016. During the year the principal activity of the group continued to be that of Mechanical & Electrical engineering along with sheet metal fabrication and manufacturing.

Business Review and key performance indicators

The results for the year and the financial position of the group are shown in the financial statements. The director is satisfied with the level of activity for the year and is confident that the group will remain profitable in 2016/17. Southern & Redfern Industrial Solutions Limited, which was within a CVA showed a return to profit of £167,999 in year ended 31 March 2016.

The group has continued to trade in difficult market conditions for the year ended 31 March 2016, the group reports a decrease in turnover but an increased gross margin to 20.27% (2015: 19.08%). Despite these issues the group has still remained profitable. Subsequent to the year end 31 March 2016, the director undertook a strategic review of the business and has taken the decision to close the building services side of the group. The director believes this side was not profit making and that profitability will be improved as a result.

Turnover for the year ended 31 March 2016 amounted to £7,092,987 (2015 - £7,414,846) a decrease of 4% (2015:6%) on the previous financial year. All sales are for the commercial, public and private markets.

The group's gross margin percentage achieved was 20.27% which is an improvement on 2015. The director expects an improved margin into 2017.

Profit before taxation has increased to £1,096,685 from £30,685 in 2015.

Stock and work in progress is not a significant figure within the group balance sheet, as most of the group work generates applications for work done on a monthly basis. Stock & WIP did decrease by £54,869 to £216,360 at 31 March 2016. This amount represents just 11.1 days of turnover.

Trade debtors amounted to £658,952 as at 31 March 2016, (2015 - £981,315). The collection of trade debt remains a priority within the group.

The group invests significant time and effort into working capital management. This enables the group to keep borrowing to a minimum which in turn reduces finance charges. The group minimises bad debt exposure with the use of strict credit control procedures (see below). As a result of this control bad debtors were minimal in 2016.

Novitas Group Limited
Company Registration Number 06410221

Group Strategic Report
for the Year ended 31 March 2016

Objectives

Following the strategic review, the director is looking forward to a period of controlled growth and expects profitability will increase.

Strategy

As outlined above, the group has taken the decision to discontinue the building services side of the business. This will have an impact on the overall turnover, but is likely to achieve better net profit levels.

Principle Risks

The company manages credit risk by assessing each customer and applying credit limits using data from credit checking agencies. Limits are then reviewed on a regular basis by our directors in line with cover provided through our contract credit insurers.

Other Key Performance Indicators

Group operations have continued to work closely with the HSE and environmental authorities to ensure obligations are met and surpassed.

Future Developments

Novitas Group Limited disposed of its investment in Southern and Redfern Industrial Solutions Limited in 2017.

ON BEHALF OF THE BOARD:



B Davies – Director
19 December 2016

Novitas Group Limited
Company Registration Number 06410221

Group Directors Report
for the Year ended 31 March 2016

The director presents his report and the financial statements of the group for the year ended 31 March 2016

Principal activities

The principal activity of the group in the year was that of mechanical and electrical engineers within the construction sector.

Dividends

The total distribution of dividends for the period ended 31 March 2016 will be £93,000 (2015: £323,000)

Directors

The director who served the company during the year was as follows:

B Davies

Disclosure in the Strategic Report

Information related to the review of the business, risks faced by the company and other key performance indicators are disclosed within the strategic report.

Statement of Directors' responsibilities

The director is responsible for preparing the Group Directors Report and the Group 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

Novitas Group Limited
Company Registration Number 06410221

Group Directors Report
for the Year ended 31 March 2016

Statement of Directors' responsibilities (continued)

The director is 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 group and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

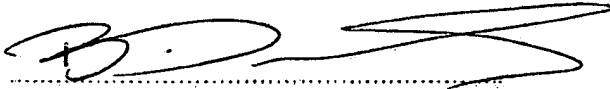
So far as the director is aware:

- 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
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

The auditors, Stirk Lambert & Co, will be proposed for re-appointment at the forthcoming annual general meeting.

SIGNED ON BEHALF OF THE BOARD:



B Davies
Director

19 December 2016

**Report of the Independent Auditors to the Members of
Novitas Group Limited
Company Registration Number 06410221**

Independent Auditors Report

We have audited the group and parent company financial statements of Novitas Group Limited for the year ended 31 March 2016. These comprise the consolidation income statement, the statement of financial position, the consolidation cash flow statement, the reconciliation of movement in group shareholders' funds, the accounting policies and related notes. 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'.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the director is 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; 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 Director 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 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; including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Report of the Independent Auditors to the Members of
Novitas Group Limited
Company Registration Number 06410221**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Group Strategic Report and the Group Report of the Director for the financial period for which the financial statements are prepared is consistent with the financial statements.

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.

C. Hill ACA CTA
Senior Statutory Auditor
Stirk Lambert & Co
Chartered Accountants
Statutory Auditors
Russell Chambers
61a North Street
Keighley
West Yorkshire
BD21 3DS



19 December 2016

Novitas Group Limited
Company Registration Number 06410221

Consolidated Income statement
Year ended 31 March 2016

		Year to 31.03.16 £	Year to 31.03.15 £
	Note		
Group turnover	1	7,092,987	7,414,846
Cost of sales		5,655,020	5,999,658
		<hr/>	<hr/>
Gross profit		1,437,967	1,415,188
Administrative expenses		(1,338,165)	(1,266,516)
Amortisation	8	(89,987)	(89,987)
Other operating income	25	185,795	-
		<hr/>	<hr/>
Operating profit	2	195,610	58,685
Interest receivable		11	85
Interest payable and similar charges	5	(27,115)	(28,085)
Exceptional item	26	928,179	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,096,685	30,685
Tax on profit on ordinary activities	6	(56,570)	(208,957)
		<hr/>	<hr/>
Profit on ordinary activities after taxation	7	1,040,115	(178,272)
		<hr/> <hr/>	<hr/> <hr/>

All of the activities of the group are classed as continuing (see Accounting policies Basis of consolidation).

The group has no recognised gains or losses other than the results for the period as set out above.


The company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to publish its own income statement.

Novitas Group Limited
Company Registration Number 06410221

Consolidated Statement of Financial Position
Year ended 31 March 2016

	Note	31.03.16	31.03.15
		£	£
Fixed assets			
Intangible assets	8	1,079,852	1,169,839
Tangible assets	9	1,366,357	1,408,587
		<u>2,446,209</u>	<u>2,578,426</u>
Current assets			
Stocks	11	216,360	271,229
Debtors	12	1,092,842	1,383,856
Cash at bank and in hand		927,625	14,126
		<u>2,236,827</u>	<u>1,669,211</u>
Creditors: Amounts falling due within one year	13	<u>1,786,566</u>	<u>2,220,340</u>
Net current assets		<u>450,261</u>	<u>(551,129)</u>
Total assets less current liabilities		<u>2,896,470</u>	<u>2,027,297</u>
Creditors: Amounts falling due after more than one year	15	<u>(568,067)</u>	<u>(641,419)</u>
Provision for liabilities			
Deferred taxation	17	<u>(187,879)</u>	<u>(192,469)</u>
		<u>2,140,524</u>	<u>1,193,409</u>
Capital and reserves			
Called-up equity share capital	20	100,000	100,000
Revaluation reserve	27	900,000	900,000
Retained earnings	21	1,140,524	193,409
Shareholders' funds	22	<u>2,140,524</u>	<u>1,193,409</u>

These financial statements were approved by the director and authorised for issue on 19 December 2016, and are signed by:



B. Davies

Director

Novitas Group Limited
Company Registration Number 06410221

Company Statement of Financial Position
Year ended 31 March 2016

	Note	£	31.03.16 £	£	31.03.15 £
Fixed assets					
Investments	10		4,295,905		4,295,905
Current assets					
Cash at bank and in hand		46		139	
Creditors: Amounts falling due within one year	13	5,200		5,200	
Net current (liabilities)			(5,154)		(5,061)
Total assets less current liabilities			4,290,751		4,290,844
Creditors: Amounts falling due after more than one year	15		133,899		133,899
			<u>4,156,852</u>		<u>4,156,946</u>
Capital and reserves					
Called-up equity share capital	20		100,000		100,000
Retained earnings	21		4,056,852		4,056,946
Shareholders' funds			<u>4,156,852</u>		<u>4,156,946</u>

These financial statements were approved by the director and authorised for issue on 19 December 2016 and are signed by:


B Davies

Director

Company Registration Number: 06410221

Novitas Group Limited
Company Registration Number 06410221

Consolidated Statement of Changes in Equity
Year ended 31 March 2016

	Called up share capital	Retained earnings	Revaluation Reserve	Total equity
	£	£	£	£
Balance at 1 April 2014	100,000	694,681	-	794,681
Changes in equity				
Dividends	-	(323,000)	-	(323,000)
Total comprehensive income	-	(178,272)	900,000	721,728
Balance at 31 March 2015	100,000	193,409	900,000	1,193,409
Changes in equity				
Dividends	-	(93,000)	-	(93,000)
Total comprehensive income (Page 8)	-	1,040,115	-	1,040,115
Balance at 31 March 2016	100,000	1,140,524	900,000	2,140,524

Novitas Group Limited
Company Registration Number 06410221

Consolidated Statement of Cash Flows
Year Ended 31 March 2016

	Year Ended 31.03.16 £	Year Ended 31.03.15 £
Cash inflow from operating activities		
Profit for the financial year	195,610	58,685
Adjustments for:		
Amortisation of intangible assets	89,987	89,987
Depreciation of tangible assets	45,700	32,520
Loss on disposal of fixed assets	-	(2,314)
Interest paid	(27,115)	(28,085)
Interest received	11	85
Taxation	(28,853)	(85,228)
Exceptional item	928,179	-
Decrease/(increase) in trade and other debtors	291,014	60,328
Decrease/(increase) in stocks	54,869	6,526
Increase/(decrease) in trade creditors	(330,838)	(245,664)
	<hr/>	<hr/>
Cash from operations	1,218,564	(113,160)
	<hr/>	<hr/>
Net cash generated from operating activities		
Cash flows from financing activities		
Proceeds from sale of tangible assets	-	8,500
Purchases of tangible assets	(3,344)	(7,662)
	<hr/>	<hr/>
Net cash from investing activities	(3,344)	838
	<hr/>	<hr/>
Cash flows from financing activities		
Movement of bank loans	(202,813)	80,187
Movement of finance lease obligations	(5,908)	(10,790)
Dividends paid	(93,000)	(323,000)
	<hr/>	<hr/>
Net cash used in financing activities	(301,721)	(253,603)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	913,499	(365,925)
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of year	14,126	380,051
	<hr/>	<hr/>
Cash and cash equivalents at end of year	<u>927,625</u>	<u>14,126</u>

Novitas Group Limited
Company Registration Number 06410221

Accounting policies
Year ended 31 March 2016

Statement of Compliance

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”), and with Companies Act 2006.

This is the first year in which the financial instruments have been prepared under FRS 102. Refer to note 26 for an explanation of the transition.

Basis of preparation

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings that are under the control of the director.

Uniform accounting policies are followed throughout the group, and the financial statements of all the subsidiary undertakings are prepared to the same accounting date. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over ten years from the year of transition to FRS 102. The results of companies acquired or disposed of are included in the income statement after or up to the date that control passes respectively, unless noted elsewhere. As a consolidated income statement is published, a separate income statement for the parent company is omitted from the group financial statements by virtue of the exemption in the Companies Act 2006.

Turnover

The turnover shown in the income statement represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts of on-going services, turnover includes the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Novitas Group Limited
Company Registration Number 06410221

Accounting policies
Year ended 31 March 2016

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 10 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. 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.

A change in legislation to FRS 102 has deemed Goodwill to be changed to be amortised over the useful life of 10 years from the date of transition.

Amortisation

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

Goodwill on consolidation	- over 10 years
Goodwill	- over 10 years

Fixed assets

All fixed assets are initially recorded at deemed cost.

Depreciation

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

Freehold property	- 2% on cost
Leasehold property improvements	- 2% to 10% on cost
Plant & machinery	- 10% to 25% on cost and 15% reducing balance
Fixtures & fittings	- 25% to 50% on cost and 25% reducing balance
Motor vehicles	- 25% on cost and 25% reducing balance

Stocks

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

Work in progress

Work in progress is valued at the lower of cost and net realisable value.

Long-term contract balances are stated at cost, plus attributable profit, less net foreseeable losses, less any applicable payments on account and are included within debtors. Attributable profit is recognised as the difference between recorded turnover and related costs. Where payments on account are greater than recorded costs of work carried out to date, the excess is classified within other creditors.

Novitas Group Limited
Company Registration Number 06410221

Accounting policies
Year ended 31 March 2016

Finance lease agreements

Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income statement at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The group operates several defined contribution pension schemes for employees. The assets of the schemes are held separately from those of the company. The annual contributions payable are charged to the income statement.

Deferred taxation

Deferred tax is recognised in respect of all 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Novitas Group Limited
Company Registration Number 06410221

Notes for the financial statements
Year ended 31 March 2016

1. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group. An analysis of turnover is given below:

	2016	2015
	£	£
United Kingdom	6,922,979	7,108,524
EEC	123,469	282,041
United States of America	46,539	24,281
	<hr/>	<hr/>
	<u>7,092,987</u>	<u>7,414,846</u>

2. Operating profit

Operating profit is stated after charging:

	2016	2015
	£	£
Depreciation on owned fixed assets	43,317	29,343
Depreciation – assets on Hire Purchase	2,383	3,177
Auditor's remuneration		
as auditor	14,900	14,500
for other services	8,253	13,430
Operating lease costs:		
Plant & equipment	47,312	65,448
Other	127,777	113,685
Pension costs	28,846	28,821
(Profit)/Loss on disposal of fixed assets	-	(2,314)

Novitas Group Limited
Company Registration Number 06410221

Notes for the financial statements
Year ended 31 March 2016

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered:

	2016	2015
	£	£
Audit	14,900	14,500
Accountancy and other services	8,253	13,430
	<u>23,153</u>	<u>27,930</u>

3. Particulars of employees

The average number of staff employed by the group during the financial year amounted to:

	2016	2015
	No	No
Manufacturing and Distribution	24	26
Administration	29	32
	<u>53</u>	<u>58</u>

The aggregate payroll costs of the above were:

	2016	2015
	£	£
Wages and salaries	1,318,592	1,820,584
Social security costs	160,822	180,534
Other pension costs	28,846	28,821
	<u>1,508,260</u>	<u>2,029,939</u>

Novitas Group Limited
Company Registration Number 06410221

Notes for the financial statements
Year ended 31 March 2016

4. Directors emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2016	2015
	£	£
Aggregate emoluments	<u>135,673</u>	<u>137,171</u>
The emoluments of the highest paid director were	45,581	45,121
Directors' pension contributions to money purchase Schemes	<u>12,868</u>	<u>11,795</u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

5. Interest payable and similar charges

	2016	2015
	£	£
Interest payable on bank borrowing	26,580	26,839
Other interest payable	535	1,246
	<u>27,115</u>	<u>28,085</u>

6. Taxation on ordinary activities

(a) Analysis of charge in the year

	2016	2015
	£	£
Current tax:		
UK Corporation tax based on the results of the year at 20% (2015 20%)	61,159	28,853
	<u>61,159</u>	<u>28,853</u>
Deferred tax:		
Origination and reversal of timing differences	(4,589)	180,104
Tax on profit on ordinary activities	<u>56,570</u>	<u>208,957</u>

Novitas Group Limited
Company Registration Number 06410221

Notes for the financial statements
Year ended 31 March 2016

6. Taxation on ordinary activities (continued)
(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is less than the standard rate of corporation tax in the UK of 20% (2015 23%).

	2016 £	2015 £
Profit on ordinary activities before taxation	168,506	30,685
Profit on ordinary activities by rate of tax	33,720	6,156
Expenses not deductible for tax purposes	19,797	19,168
Capital allowances for period in excess of depreciation	7,642	3,529
Total current tax (note 6(a))	61,159	28,853

7. Profit/(Loss) attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £92,906 (2015 - £322,906)

8. Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2015 and 31 March 2016	1,799,749
Accumulated amortisation	
At 1 April 2015	629,910
Charge for the year	89,987
At 31 March 2015	719,897
NBV at 31 March 2015	1,079,852
NBV at 31 March 2014	1,169,839

Novitas Group Limited
Company Registration Number 06410221

Notes for the financial statements
Year ended 31 March 2016

9. Tangible fixed assets
Group

	Freehold property	Property improvements	Plant & machinery	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost at 1 April 2015	1,324,823	148,740	330,343	160,227	126,597	2,090,730
Additions	-	-	1,075	4,387	-	5,462
Disposals	-	-	-	-	-	-
At 31 March 2016	<u>1,324,823</u>	<u>148,740</u>	<u>331,418</u>	<u>164,614</u>	<u>126,597</u>	<u>2,096,192</u>
At 1 April 2015	114,156	39,273	287,694	139,749	101,271	682,143
Charge for the year	26,497	2,975	7,094	4,795	6,331	47,692
On disposal	-	-	-	-	-	-
At 31 March 2016	<u>140,653</u>	<u>42,248</u>	<u>294,788</u>	<u>144,544</u>	<u>107,602</u>	<u>729,835</u>
Net book value						
At 31 March 2016	1,184,170	106,492	36,630	20,070	18,995	1,366,357
At 1 April 2015	<u>1,210,667</u>	<u>109,467</u>	<u>42,649</u>	<u>20,478</u>	<u>25,326</u>	<u>1,408,587</u>

Cost or valuation at 31 March 2016 is represented by:

	Freehold property	Improvements to property	Plant and machinery
	£	£	£
Valuation in 2015	900,000	-	-
Cost	<u>424,823</u>	<u>148,740</u>	<u>280,817</u>
	<u>1,324,823</u>	<u>148,740</u>	<u>280,817</u>

Glidefield Limited (Registered number: 02166677)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

6. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2015	-	-	-	900,000
Cost	<u>89,645</u>	<u>126,597</u>	<u>58,113</u>	<u>1,128,735</u>
	<u>89,645</u>	<u>126,597</u>	<u>58,113</u>	<u>2,028,735</u>

If Freehold property had not been revalued it would have been included at the following historical cost:

	31.3.16	31.3.15
	£	£
Cost	<u>424,823</u>	<u>424,823</u>
Aggregate depreciation	<u>122,653</u>	<u>114,156</u>

Freehold property were valued on an open market basis on 28 January 2016 by Walker Singleton.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 April 2015	22,591
Transfer to ownership	-
At 31 March 2016	<u>22,591</u>
DEPRECIATION	
At 1 April 2015	13,060
Charge for year	2,383
Transfer to ownership	-
At 31 March 2016	<u>15,443</u>
NET BOOK VALUE	
At 31 March 2016	<u>7,148</u>
At 31 March 2015	<u>9,531</u>

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Notes for the financial statements
Year ended 31 March 2016

Company

The Parent company had no Tangible Fixed Assets during the year or prior year.

10. Investments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Investment in subsidiary undertakings				
Cost				
At 1 April 2015 & 31 March 2016	-	-	4,295,905	4,295,905
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NBV at 31 March 2016	-	-	4,295,905	4,295,905
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NBV at 31 March 2015	-	-	4,295,905	4,295,905
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	Country of Incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
All held by the company:				
Glidefield Limited	United Kingdom	Ordinary Shares	100%	Construction
Southern & Redfern Industrial Solutions Ltd	United Kingdom	Ordinary Shares	100%	Construction
Southern & Redfern Group Ltd	United Kingdom	Ordinary Shares	100%	Construction

Novitas Group Limited
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Notes for the financial statements
Year ended 31 March 2016

10. Investments (continued)

Company	Group Companies
	£
Cost	
At 1 April 2015 and 31 March 2016	4,295,205
	<u> </u>
Net book value	
At 31 March 2016	4,295,905
	<u> </u>
At 31 March 2015	4,295,905
	<u> </u>

11. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Stock	132,375	156,375	-	-
Work in progress	83,985	114,854	-	-
	<u>216,360</u>	<u>271,229</u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Novitas Group Limited
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Notes for the financial statements
Year ended 31 March 2016

12. Debtors

	Group 2016	Group 2015	Company 2016	Company 2015
	£	£	£	£
Trade debtors	658,952	981,315	-	-
Other debtors	32,787	240,722	-	-
Prepayments & accrued income	36,002	54,119	-	-
Amounts recoverable on contracts	365,100	107,700	-	-
	<u>1,092,842</u>	<u>1,383,856</u>	<u>-</u>	<u>-</u>

13. Creditors: Amounts falling due within one year

	Group 2016	Group 2015	Company 2016	Company 2015
	£	£	£	£
Bank loans & overdrafts	69,303	203,983	-	-
Trade creditors	953,097	646,182	-	-
Corporation tax	61,159	28,853	-	-
Other taxation & social security	291,061	242,906	-	-
Other creditors	14,083	1,029,503	-	-
Accruals & deferred income	391,357	61,334	5,200	5,200
Directors Loan Accounts	1,286	1,671	-	-
Hire purchase	5,220	5,908	-	-
	<u>1,786,566</u>	<u>2,220,340</u>	<u>5,200</u>	<u>5,200</u>

14. Creditors continued

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group 2016	Group 2015	Company 2016	Company 2015
	£	£	£	£
Bank loans & overdrafts	69,303	203,983	-	-
Hire purchase	5,220	5,908	-	-
	<u>74,523</u>	<u>209,891</u>	<u>-</u>	<u>-</u>

The bank facilities are secured on the assets of the group. Hire purchase liabilities are secured on the assets that they relate to.

Novitas Group Limited
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Notes for the financial statements
Year ended 31 March 2016

15. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	548,071	616,204	-	-
Hire purchase	-	5,220	-	-
Amounts owed to group undertakings	-	-	113,903	2,165,903
Directors loan accounts	19,995	19,995	19,995	19,995
	<u>568,067</u>	<u>641,419</u>	<u>133,898</u>	<u>2,185,898</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans & overdrafts	548,071	616,204	-	-
Hire purchase	-	5,220	-	-
	<u>548,071</u>	<u>621,424</u>	<u>-</u>	<u>-</u>

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans – 1-2 years	71,759	68,612	-	-
Bank loans – 2-5 years	230,896	220,838	-	-
Bank loans more 5 yr by instal	245,416	326,754	-	-
Hire purchase	-	5,220	-	-
	<u>548,071</u>	<u>621,424</u>	<u>-</u>	<u>-</u>

The business loan is secured by a debenture creating a fixed and floating charge over the assets of the company and a legal first charge over Forward House, Mount Street, Bradford. The interest rate payable on the loan is 1.75% above LIBOR. The hire purchase creditors are secured against the assets they relate to.

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Notes for the financial statements
Year ended 31 March 2016

16. Pensions

The group operates a number of defined contribution pension schemes for employees. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost represents contributions payable by the company to the funds and amounted to £28,846 (2015 - £28,821).

The number of directors to whom retirement benefits are accruing is 1 (2015: 1).

17. Deferred taxation

The movement in the deferred taxation provision during the year was:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Provision brought forward	192,469	12,364	-	-
Movement in year	(4,589)	180,105	-	-
	<u>187,880</u>	<u>192,469</u>	<u>-</u>	<u>-</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2016	2016	2015	2015
Group	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	187,880	-	192,469	-
	<u>187,880</u>	<u>-</u>	<u>192,469</u>	<u>-</u>

The elements of the company's deferred taxation, which result in a nil balance at the end of the year, together with details of other amounts not provided for, are as follows:

	2016	2016	2015	2015
Company	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Notes for the financial statements
Year ended 31 March 2016

18. Commitments under operating leases

At 31 March 2016 the group had total commitments under non-cancellable operating leases as set out below:

	2016	2016	2015	2015
Group	Land & Buildings	Other items	Land & Buildings	Other items
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	19,930	-	7,264
Within 2 to 5 years	-	78,366	-	93,863
After more than 5 years	-	-	-	-
	<u>-</u>	<u>98,296</u>	<u>-</u>	<u>101,127</u>
	<u><u>-</u></u>	<u><u>98,296</u></u>	<u><u>-</u></u>	<u><u>101,127</u></u>

19. Ultimate Controlling Party

The company is under the control of the director Mr B Davies.

20. Share capital

	2016		2015	
Allotted and called up:	No	£	No	£
100,000 Ordinary shares (2015 – 100,000) of £1	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

21. Reserves

Group	2016	2015
	£	£
Retained earnings		
At 1 April 2015	1,093,409	694,681
Profit for the period	1,040,115	721,728
Dividend	(93,000)	(323,000)
Balance carried forward	<u>2,040,524</u>	<u>1,093,409</u>

Novitas Group Limited
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Notes for the financial statements
Year ended 31 March 2016

21. Reserves (continued)
Company

	2016 £	2015 £
Retained earnings		
At 1 April 2014	4,056,946	2,005,040
Profit for year	92,906	2,374,906
Dividend	(93,000)	(323,000)
Balance carried forward	<u>4,056,852</u>	<u>4,056,946</u>

22. Reconciliation of movements in shareholders' funds

	2016 £	2015 £
Group		
Profit for the financial year	1,040,115	(178,272)
Dividends	(93,000)	(323,000)
Net reduction to shareholders' funds	<u>947,115</u>	<u>(501,272)</u>
Opening shareholders' funds	1,193,409	794,681
Revaluation	-	900,000
Closing shareholders' funds	<u>2,140,524</u>	<u>1,193,409</u>
	2016 £	2015 £
Company		
Profit for the financial year	92,906	2,374,906
Dividends	(93,000)	(323,000)
Net reduction to shareholders' funds	<u>(94)</u>	<u>2,051,906</u>
Opening shareholders' funds	4,156,946	2,105,040
Closing shareholders' funds	<u>4,156,852</u>	<u>4,156,946</u>

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Notes for the financial statements
Year ended 31 March 2016

23. Related party disclosures

Trade between the group and the below related parties is undertaken on normal commercial terms and the transactions for the year were as follows:

	2016 £	2015 £
Amounts due to:		
Southern & Redfern Building Services Ltd	-	928,179

Dividends totalling £93,000 (2015:£323,000) were paid to Mr & Mrs Davies during the year.

Southern & Redfern Building Services Limited was a subsidiary company of Novitas Group Limited. However, the company entered into liquidation on 21 November 2011, and is now formally liquidated. The investment was impaired, and as a result a value of nil is reflected.

24. Other operating income

Within other operating income was the following from the subsidiary companies:

Glidefield Limited result £87,143 from Novated Contracts.

Southern and Redfern Industrial Solutions Limited was for the release of the creditor owing to HMRC VAT which was included in the CVA which has now been completed, totalling a sum of £98,652

25. Exceptional Item

Southern and Redfern Building Services Limited liquidation process resulted in an inter-company loan not being repayable.

26. Transition to FRS 102

The company has adopted FRS 102 for the year ended 2016 and has reviewed the comparative prior year amounts.

The adjustment being, revaluation on Freehold Property & inter-company loan to be deemed cost at date of transition by being restated at fair value.. These were transferred to retained earnings.

27. Reserves

	Revaluation Reserve £
At 1 April 2015 and 31 March 2016	900,000

Novitas Group Limited
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Reconciliation of Equity
1 April 2014
(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		1,259,826	-	1,259,826
Tangible assets		<u>539,631</u>	<u>900,000</u>	<u>1,439,631</u>
		<u>1,799,457</u>	<u>900,000</u>	<u>2,699,457</u>
CURRENT ASSETS				
Stocks		277,755	-	277,755
Debtors		1,444,184	-	1,444,184
Cash at bank and in hand		<u>380,051</u>	<u>-</u>	<u>380,051</u>
		<u>2,101,990</u>	<u>-</u>	<u>2,101,990</u>
CREDITORS				
Amounts falling due within one year		<u>(2,386,695)</u>	<u>-</u>	<u>(2,386,695)</u>
NET CURRENT ASSETS		<u>(284,705)</u>	<u>-</u>	<u>(284,705)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,514,752	900,000	2,414,752
CREDITORS				
Amounts falling due after more than one year		(707,707)	-	(707,707)
PROVISIONS FOR LIABILITIES		<u>(12,364)</u>	<u>(180,000)</u>	<u>(192,364)</u>
NET ASSETS		<u>794,681</u>	<u>720,000</u>	<u>1,514,681</u>
CAPITAL AND RESERVES				
Called up share capital		100,000	-	100,000
Revaluation reserve		-	900,000	900,000
Retained earnings		<u>694,681</u>	<u>(180,000)</u>	<u>514,681</u>
SHAREHOLDERS' FUNDS		<u>473,409</u>	<u>720,000</u>	<u>1,193,409</u>

Novitas Group Limited
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Reconciliation of Equity - continued
31 March 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		1,169,839	-	1,169,839
Tangible assets		<u>1,408,587</u>	<u>-</u>	<u>1,408,587</u>
		<u>2,578,426</u>	<u>-</u>	<u>2,578,426</u>
CURRENT ASSETS				
Stocks		271,229	-	271,229
Debtors		1,383,856	-	1,383,856
Cash at bank and in hand		<u>14,126</u>	<u>-</u>	<u>14,126</u>
		<u>1,669,211</u>	<u>-</u>	<u>1,669,211</u>
CREDITORS				
Amounts falling due within one year		<u>(2,220,340)</u>	<u>-</u>	<u>(2,220,340)</u>
NET CURRENT ASSETS		<u>(551,129)</u>	<u>-</u>	<u>(551,129)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,027,297	-	2,027,297
CREDITORS				
Amounts falling due after more than one year		(641,419)	-	(641,419)
PROVISIONS FOR LIABILITIES		<u>(192,469)</u>	<u>-</u>	<u>(192,469)</u>
NET ASSETS		<u>1,193,409</u>	<u>-</u>	<u>1,193,409</u>
CAPITAL AND RESERVES				
Called up share capital		100,000	-	100,000
Revaluation reserve		900,000	-	900,000
Retained earnings		<u>193,409</u>	<u>-</u>	<u>193,409</u>
SHAREHOLDERS' FUNDS		<u>1,193,409</u>	<u>-</u>	<u>1,193,409</u>

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Reconciliation of Profit
for the Year Ended 31 March 2015

	UK GAAP	Effect of transition to FRS 102	FRS 102
	£	£	£
TURNOVER	7,414,846	-	7,414,846
Cost of sales	<u>(5,999,658)</u>	<u>-</u>	<u>(5,999,658)</u>
GROSS PROFIT	1,415,188	-	1,415,188
Administrative expenses	(1,266,516)	-	(1,266,516)
Amortisation	<u>(89,987)</u>	<u>-</u>	<u>(89,987)</u>
OPERATING PROFIT	58,685	-	58,685
Interest receivable	85	-	85
Interest payable and similar expenses	<u>(28,085)</u>	<u>-</u>	<u>(28,085)</u>
PROFIT BEFORE TAXATION	30,685	-	30,685
Tax on profit	<u>(28,957)</u>	<u>(180,000)</u>	<u>(208,957)</u>
PROFIT FOR THE FINANCIAL YEAR	<u>1,728</u>	<u>(180,000)</u>	<u>(178,272)</u>