

**NOVITAS GROUP LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

TUESDAY



\*A3JGK8OH\*

A14

28/10/2014

#207

COMPANIES HOUSE

**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**

**Strategic Report**  
**for the Year ended 31 March 2014**

The director presents his strategic report on the Group for the year ended 31st March 2014. 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**

In common with other businesses in the Construction, Mechanical & Electrical engineering sectors the recession in the national economy has resulted in tough trading conditions during the year. The director considers that the Group has the reserves and order book that will ensure that it will be able to take advantage of the opportunities for growth as the economy shows the initial signs of a recovery.

The results for the year and the financial position of the Group are shown in the financial statements. The Director is satisfied with the results for the year and is confident that the Group will remain profitable in 2014/15. Southern & Redfern Industrial Solutions Limited, which is currently within a CVA showed a reduction in losses from £132,993 in 2013 to £50,674 in year ended 31 March 2014. The Director and the directors of Southern & Redfern Industrial Solutions Limited are confident that this company will trade through the CVA period and they expect the company to return to profit in year ended 31 March 2015.

The Group has traded in difficult market conditions in year ended 31 March 2014. The Director has to report a decrease in turnover, however an improvement in Gross Margin to 23.06% (2013 13.6%) has helped the Group to reverse the small loss of £5,157 in 2013, and generate a profit for the year of £286,483. The Director and the directors of the subsidiary companies have worked hard to retain key customers which are to give the Group solid grounds for growth in 2014/15.

Turnover for the year ended 31st March 2014 amounted to £7,909,613 (2013 - £11,338,930) a decrease of 30% on the previous financial year. All sales are for the commercial, public and private markets.

The Group's gross margin percentage achieved was 23.06% which is an improvement on 2013. The director expects the improved margin to continue into 2015. One of the key objectives for 2014 was to maintain or improve margin and the Group has successfully achieved what it set out to do. This has been challenging given competition creating difficult market conditions.

Profit before taxation has increased to £286,483 from a loss of £5,157 in 2013.

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 however increase by £41,288 to £277,755 at 31 March 2014. This amount represents just 12.8 days of turnover.

Trade debtors amounted to £755,482 as at 31st March 2014, (2013 - £2,123,236). This represents an improvement in the collection of trade debts when allowing for the decrease in turnover. The number of days turnover within trade debts has reduced by 33 days as at 31 March 2014.

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 has improved its bank position at 31 March 2014 by £187,449 to £380,051. 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 2014.

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Strategic Report**  
**for the Year ended 31 March 2014**

**Objectives**

Novitas Group Limited is planning significant growth in the next few years and enhancing its financial strength as continuing client relationships begin to blossom..

**Strategy**

As a Group the strategy is to grow the businesses on the strength of maintaining and developing an existing client base but also with the introduction of select new clients who can be nurtured by our managers and their teams by client expectations and more. Whilst the Director anticipates modest growth in 2015 for all Group operations, the Director of the Group is implementing the necessary plan to grow sales significantly by 2016.

The Group expects that all operations will be showing a profit for year ended 31 March 2015, and this should then be reflected in a further strengthening of the Group balance sheet in regards to Total Shareholders' Funds and an improvement in the Net Current Liabilities position. (£284,705 at 31 March 2014.)

Overheads are under continuous scrutiny and this will continue to allow the Group to reach its goal of being more profitable as the order book increases.

**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.

Group operations have incurred significant costs in continuing our commitments with ongoing changes to legislation and have worked closely with our external experts in several fields to ensure these are met.

**ON BEHALF OF THE BOARD:**



B Davies – Director  
30 September 2014

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Report of the Directors**  
**for the Year ended 31 March 2014**

The director presents his report and the financial statements of the group for the year ended 31 March 2014.

**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 2014 will be £320,000 (2013: £Nil)

**Directors**

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

B Davies

**Directors' responsibilities**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom General Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 year. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are responsible and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Report of the Directors**  
**for the Year ended 31 March 2014**

**Directors' responsibilities (continued)**

The director is responsible for keeping proper accounting records that 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.


In 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 auditor is unaware; and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditor**

A resolution to re-appoint Stirk Lambert & Co as auditors for the ensuing year will be proposed at the annual general meeting.

**SIGNED ON BEHALF OF THE BOARD:**

  
.....

B Davies  
Director

30 September 2014

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

We have audited the group and parent company financial statements (the 'financial statements') of Novitas Group Limited for the year ended 31 March 2013. These comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated cash flow statement, the reconciliation of movements in group shareholders' funds, the accounting policies and the 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).

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement below, 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 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 directors; and the overall presentation of the financial statements.

**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 2013 and of the group's profit and cash flows 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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

**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



30 September 2014



**Novitas Group Limited**  
**Company Registration Number 06410221**

**Profit and Loss account**  
**Year ended 31 March 2014**

		Year to 31.03.14 £	Year to 31.03.13 £
	Note		
<b>Group turnover</b>	1	7,909,613	11,338,930
Cost of sales		6,085,401	9,788,543
		<hr/>	<hr/>
<b>Gross profit</b>		1,824,212	1,550,387
Administrative expenses		(1,420,876)	(1,414,240)
Amortisation	8	(89,987)	(89,987)
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>	2	313,349	46,160
Interest receivable		558	6
Interest payable and similar charges	5	(27,424)	(51,323)
		<hr/>	<hr/>
<b>Profit/(Loss) on ordinary activities before taxation</b>		286,483	(5,157)
Tax on (loss)/profit on ordinary activities	6	(84,712)	(24,607)
		<hr/>	<hr/>
<b>Profit/(Loss) on ordinary activities after taxation</b>	7	201,771	(29,764)
		<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 the Companies Act 2006 not to publish its own Profit and Loss Account.

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Group balance sheet**  
**Year ended 31 March 2014**

	Note	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8	1,259,826		1,349,813	
Tangible assets	9	539,631		591,112	
		<u>1,799,457</u>		<u>1,940,925</u>	
<b>Current assets</b>					
Stocks	11	277,755	236,467		
Debtors	12	1,444,184	2,822,998		
Cash at bank and in hand		380,051	192,602		
		<u>2,101,990</u>	<u>3,252,067</u>		
<b>Creditors: Amounts falling due within one year</b>	13	2,386,695	3,504,461		
<b>Net current (liabilities)/assets</b>		<u>(284,705)</u>	<u>(252,394)</u>		
<b>Total assets less current liabilities</b>		<u>1,514,752</u>	<u>1,688,531</u>		
<b>Creditors: Amounts falling due after More than one year</b>	15	(707,707)	(762,741)		
<b>Provision for liabilities</b>					
Deferred taxation	17	(12,364)	(12,880)		
		<u>794,681</u>	<u>912,910</u>		
<b>Capital and reserves</b>					
Called-up equity share capital	20	100,000	100,000		
Profit and loss account	21	694,681	812,910		
<b>Shareholders' funds</b>	22	<u>794,681</u>	<u>912,910</u>		

These financial statements were approved by the directors and authorised for issue on 30 September 2014, and are signed on their behalf by:



B Davies

Director

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Balance sheet**  
**Year ended 31 March 2014**

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Investments	10		4,295,905		4,295,905
<b>Current assets</b>					
Cash at bank and in hand		233		322	
<b>Creditors: Amounts falling due Within one year</b>	13	5,200		5,200	
<b>Net current (liabilities)/assets</b>			(4,967)		(4,878)
<b>Total assets less current liabilities</b>			4,290,938		4,291,027
<b>Creditors:</b>					
Amounts falling due after more than one year	15		2,185,898		2,185,898
			<u>2,105,040</u>		<u>2,105,129</u>
<b>Capital and reserves</b>					
Called-up equity share capital	20		100,000		100,000
Profit and loss account	21		2,005,040		2,005,129
<b>(Deficit)/shareholders' funds</b>			<u>2,105,040</u>		<u>2,105,129</u>

These financial statements were approved by the directors and authorised for issue on 30 September 2014 and are signed on their behalf by:



B Davies

Director

Company Registration Number: 06410221

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Group cash flow statement**  
**Year ended 31 March 2014**

		<b>2014</b>	<b>2013</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Net cash inflow/(outflow) from operating activities</b>	25	604,983	366,181
<b>Returns on investments and servicing of finance</b>	25	(346,866)	(51,317)
<b>Taxation</b>	25	(21,795)	(44,790)
<b>Capital expenditure and financial investment</b>	25	7,055	(33,126)
		<hr/>	<hr/>
<b>Cash inflow/(outflow) before financing</b>		243,377	236,948
<b>Financing</b>	25	(55,928)	(70,183)
		<hr/>	<hr/>
<b>(Decrease)/Increase in cash</b>	25	187,449	166,765
		<hr/> <hr/>	<hr/> <hr/>

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Accounting policies**  
**Year ended 31 March 2014**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**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.

Southern and Redfern Industrial Solutions Limited (S&R IS Ltd) entered into a company voluntary arrangement (CVA) on 11 July 2012. The director believes that this company will be able to adhere to the terms of the CVA and therefore the investment in Southern & Redfern Industrial Solutions Limited has been fully reflected within the financial statements.

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 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, unless noted elsewhere. 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 the exemption in the Companies Act 2006.

**Turnover**

The turnover shown in the profit and loss account 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 2014**

**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. 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.

**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 20 years
Goodwill	- over 20 years

**Fixed assets**

All fixed assets are initially recorded at 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.

**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 profit and loss account 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.

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Accounting policies**  
**Year ended 31 March 2014**

**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 profit and loss account.

**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 2014**

**1. Turnover**

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

	2014	2013
	£	£
United Kingdom	7,601,769	11,184,079
EEC	307,844	154,851
	<hr/>	<hr/>
	<u>7,909,613</u>	<u>11,338,930</u>

**2. Operating (loss)/profit**

Operating (loss)/profit is stated after charging:

	2014	2013
	£	£
Depreciation on owned fixed assets	30,482	39,626
Depreciation – assets on Hire Purchase	8,750	11,666
Auditor's remuneration		
as auditor	19,000	11,000
for other services	-	6,000
Operating lease costs:		
other	101,104	97,777
Pension costs	17,177	18,891
Loss on disposal of fixed assets	5,194	724
Exchange rate (Gain)/Loss	2,631	792



**Novitas Group Limited**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

**Auditor's fees**

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

	2014	2013
	£	£
Audit	19,000	11,000
Accountancy	-	6,000
	<u>19,000</u>	<u>17,000</u>

**3. Particulars of employees**

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

	2014	2013
	No	No
Manufacturing and Distribution	26	53
Administration	35	21
	<u>61</u>	<u>74</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	1,907,636	2,324,052
Social security costs	187,265	229,082
Other pension costs	17,177	18,891
	<u>2,112,078</u>	<u>2,572,025</u>

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

**4. Directors emoluments**

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

	2014	2013
	£	£
Aggregate emoluments	205,194	228,702
	<u>205,194</u>	<u>228,702</u>
The emoluments of the highest paid director were	72,000	90,000
	<u>72,000</u>	<u>90,000</u>

No shares were received or receivable by the highest paid director in respect of qualifying services under a long term incentive scheme.

**5. Interest payable and similar charges**

	2014	2013
	£	£
Interest payable on bank borrowing	25,425	44,370
Other interest payable	1,999	6,396
	<u>27,424</u>	<u>50,766</u>

**6. Taxation on ordinary activities**

**(a) Analysis of charge in the year**

	2014	2013
	£	£
Current tax:		
UK Corporation tax based on the results of the year at 23% (2013 20%)	85,228	21,795
(Over) and under provision in prior year	-	3,982
	<u>85,228</u>	<u>25,777</u>
Deferred tax:		
Origination and reversal of timing differences	(516)	(1,170)
Tax on (loss)/profit on ordinary activities	<u>84,712</u>	<u>24,607</u>

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

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

The tax assessed on the profit/(loss) on ordinary activities for the year is less than the standard rate of corporation tax in the UK of 20% (2012 26%)

	2014 £	2013 £
(Loss)/Profit on ordinary activities before taxation	286,483	(5,157)
Profit on ordinary activities by rate of tax	65,891	-
Expenses not deductible for tax purposes	30,056	21,842
Capital allowances for period in excess of depreciation	3,483	965
Utilisation of tax losses	(11,446)	(1,012)
Adjustments to tax charge in respect of previous periods	-	3,982
Marginal relief	(2,756)	-
Total current tax (note 6(a))	<u>85,228</u>	<u>25,777</u>

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

The profit/(loss) dealt with in the financial statements of the parent company was £319,911 (2013 - £93 loss)

**8. Intangible fixed assets**

Group	Goodwill £
Cost	
At 1 April 2013 and 31 March 2014	<u>1,799,749</u>
Accumulated amortisation	
At 1 April 2013	449,936
Charge for the year	89,937
At 31 March 2014	<u>539,873</u>
NBV at 31 March 2014	<u>1,259,876</u>
NBV at 31 March 2013	<u>1,349,813</u>

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

**9. Tangible fixed assets**  
**Group**

	Freehold property	Property improvements	Plant & machinery	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost at 1 April 2013	424,823	148,740	327,523	154,440	223,730	1,279,256
Additions	-	-	-	945	-	945
Disposals	-	-	-	-	(77,583)	(77,583)
<b>At 31 March 2014</b>	<u>424,823</u>	<u>148,740</u>	<u>327,523</u>	<u>155,385</u>	<u>146,147</u>	<u>1,202,618</u>
At 1 April 2013	97,164	33,323	269,729	130,662	157,266	688,144
Charge for the year	8,496	2,975	9,653	4,791	13,317	39,232
On disposal	-	-	-	-	(64,389)	(64,389)
<b>At 31 March 2014</b>	<u>105,660</u>	<u>36,298</u>	<u>279,382</u>	<u>135,453</u>	<u>106,194</u>	<u>662,987</u>
<b>Net book value</b>						
<b>At 31 March 2014</b>	<u>319,163</u>	<u>112,442</u>	<u>48,141</u>	<u>19,932</u>	<u>39,953</u>	<u>539,631</u>
At 1 April 2013	<u>327,659</u>	<u>115,417</u>	<u>57,794</u>	<u>23,778</u>	<u>66,464</u>	<u>591,112</u>

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

	Motor vehicles £
<b>COST</b>	
At 1 April 2013 and 31 March 2014	65,391
<b>DEPRECIATION</b>	
At 1 April 2013	30,391
Charge for year	8,750
At 31 March 2014	<u>39,171</u>
<b>NET BOOK VALUE</b>	
At 31 March 2014	<u>26,250</u>
At 31 March 2013	<u>35,000</u>

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

**Company**

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

**10. Investments**

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
<b>Investment in subsidiary undertakings</b>				
<b>Cost</b>				
At 1 April 2013 & 31 March 2014	-	-	4,295,905	4,295,905
	<u>-</u>	<u>-</u>	<u>4,295,905</u>	<u>4,295,905</u>
NBV at 31 March 2014	-	-	4,295,905	4,295,905
	<u>-</u>	<u>-</u>	<u>4,295,905</u>	<u>4,295,905</u>
NBV at 31 March 2013	-	-	4,295,905	4,295,905
	<u>-</u>	<u>-</u>	<u>4,295,905</u>	<u>4,295,905</u>

	Country of Incorporation	Holding	Proportion of voting rights and shares held	Nature of business
<b>Subsidiary undertakings</b>				
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**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

**10. Investments (continued)**

<b>Company</b>	<b>Group Companies</b>
	£
Cost	
At 1 April 2013 and 31 March 2014	4,295,205
	<u>4,295,905</u>
At 31 March 2014	<u>4,295,905</u>
Net book value	
At 31 March 2014	<u>4,295,905</u>
At 31 March 2013	<u>4,295,905</u>

**11. Stocks**

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Stock	153,699	178,527	-	-
Work in progress	124,056	52,940	-	-
	<u>277,755</u>	<u>236,467</u>	<u>-</u>	<u>-</u>

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

**12. Debtors**

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Trade debtors	755,482	2,123,236	-	-
Other debtors	54,735	128,819	-	-
Prepayments & accrued income	30,764	56,353	-	-
Amounts recoverable on contracts	454,874	514,590	-	-
Directors Loan account	128,329	-	-	-
	<u>1,444,184</u>	<u>2,822,998</u>	<u>-</u>	<u>-</u>

**13. Creditors: Amounts falling due within one year**

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Bank loans & overdrafts	63,416	59,037	-	-
Trade creditors	659,694	1,647,749	-	-
Corporation tax	85,228	21,795	-	-
Other taxation & social security	284,675	692,334	-	-
Other creditors	1,031,537	1,003,075	-	-
Accruals & deferred income	251,355	63,343	5,200	5,200
Directors Loan Accounts	-	1,065	-	-
Hire purchase	10,790	16,063	-	-
	<u>2,386,695</u>	<u>3,504,461</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 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Bank loans & overdrafts	63,416	59,037	-	-
Hire purchase	10,790	16,063	-	-
	<u>74,206</u>	<u>75,100</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**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

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

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Bank loans	676,584	720,828		-
Hire purchase	11,128	21,918		-
Amounts owed to group undertakings	-	-	2,165,903	2,165,903
Directors loan accounts	19,995	19,995	19,995	19,995
	<u>707,707</u>	<u>762,741</u>	<u>2,185,898</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 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Bank loans & overdrafts	676,584	720,828	-	-
Hire purchase	11,128	21,918	-	-
	<u>687,712</u>	<u>742,746</u>	<u>-</u>	<u>-</u>

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Bank loans – 1-2 years	65,706	61,414	-	-
Bank loans – 2-5 years	286,945	199,507	-	-
Bank loans more 5 yr by instal	323,933	459,907	-	-
Hire purchase	11,128	21,918	-	-
	<u>687,712</u>	<u>742,746</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.



**Novitas Group Limited**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

**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 £17,177 (2013 - £18,891).

The number of directors to whom retirement benefits are accruing is 1 (2013: 1).

**17. Deferred taxation**

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

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Provision brought forward	12,880	14,050	-	-
Movement in year	(516)	(1,170)	-	-
	<u>12,364</u>	<u>12,880</u>	<u>-</u>	<u>-</u>

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

	2014 Provided £	2014 Unprovided £	2013 Provided £	2013 Unprovided £
<b>Group</b>				
Excess of taxation allowances over depreciation on fixed assets	<u>12,364</u>	<u>-</u>	<u>12,880</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:

	2014 Provided £	2014 Unprovided £	2013 Provided £	2013 Unprovided £
<b>Company</b>				
Excess of taxation allowances over depreciation on fixed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

**18. Commitments under operating leases**

At 31 March 2014 the group had annual commitments under non-cancellable operating leases as set out below:

<b>Group</b>	<b>2014</b>		<b>2013</b>	
	<b>Land &amp; Buildings</b>	<b>Other items</b>	<b>Land &amp; Buildings</b>	<b>Other items</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire:				
Within 1 year	-	3,234	-	9,330
Within 2 to 5 years	-	86,799	-	56,023
After more than 5 years	-	-	-	-
	<u>-</u>	<u>90,033</u>	<u>-</u>	<u>65,353</u>

**19. Ultimate Controlling Party**

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

**20. Share capital**

<b>Allotted and called up:</b>	<b>2014</b>		<b>2013</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
100,000 Ordinary shares (2013 – 100,000) of £1	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

**21. Reserves**

<b>Group</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Profit and loss account</b>		
At 1 April 2013	812,910	(4,443,523)
Profit/(Loss) for the period	201,771	(29,764)
Share capital reduction	-	5,286,197
Dividend	(320,000)	-
Balance carried forward	<u>694,681</u>	<u>812,910</u>

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

**21. Reserves (continued)**

**Company**

	2014 £	2013 £
<b>Profit and loss account</b>		
At 1 April 2013	2,005,129	(3,280,975)
Profit/(Loss) for year	319,911	(93)
Reduction in share capital	-	5,286,197
Dividend	(320,000)	-
Balance carried forward	<u>2,005,040</u>	<u>2,005,129</u>

**22. Reconciliation of movements in shareholders' funds**

	2014 £	2013 £
<b>Group</b>		
Profit/(loss) for the financial year	201,771	(29,764)
Dividends	(320,000)	-
<b>Net addition to shareholders' funds</b>	<u>(118,229)</u>	<u>(29,764)</u>
Opening shareholders' funds	912,910	942,674
<b>Closing shareholders' funds</b>	<u>794,681</u>	<u>912,910</u>
	2014 £	2013 £
<b>Company</b>		
Profit/(loss) for the financial year	319,911	(93)
Dividends	(320,000)	-
<b>Net addition to shareholders' funds</b>	<u>(89)</u>	<u>(93)</u>
Opening shareholders' funds	2,105,129	2,105,222
<b>Closing shareholders' funds</b>	<u>2,105,040</u>	<u>2,105,129</u>

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

**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:

	2014 £	2013 £
Sales to:		
Southern & Redfern Building Services Limited	-	-

	2014 £	2013 £
Purchases from:		
Southern & Redfern Building Services Limited	-	-

The following balances subsisted between the company and its related parties at the balance sheet date:

	2014 £	2013 £
Amounts due from:		
Southern & Redfern Building Services Limited	-	-
Amounts due to		
Southern & Redfern Building Services Ltd	928,179	928,179

Dividends totalling £320,000 (2013:£Nil) 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 under the control of the joint liquidators. The investment was impaired, and as a result a value of nil is reflected.

**24. Directors' Advances, Credits and Guarantees**

The following advances and credits to a director subsisted during the years ended 31 March 2014 and 31 March 2013:

	31.03.14 £	31.03.14 £
<b>B Davies</b>		
Balance outstanding at start of year	(1,065)	-
Amounts advanced	129,000	-
Amounts repaid	-	(1,065)
Balance outstanding at end of year	127,935	(1,065)

Interest is charged at 4% on outstanding amounts.

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

**25. Notes to the cash flow statement**

**Reconciliation of operating loss to net cash inflow/(outflow)  
from operating activities**

	2014	2013
	£	£
Operating profit/(loss)	313,349	46,160
Depreciation	39,232	51,292
Amortisation	89,987	89,987
Loss on disposal fixed assets	5,194	724
Decrease/(Increase) in stocks	(41,288)	82,051
Decrease/(Increase) in debtors	1,378,814	1,173,596
(Decrease)/Increase in creditors	(1,180,305)	(1,077,629)
Net cash inflow/(outflow) from operating activities	<u>604,983</u>	<u>366,181</u>

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

**25. Notes to the cash flow statement (continued)**

**Returns on investments and servicing of finance**

	2014	2013
	£	£
Interest received	558	6
Interest paid	(27,424)	(51,323)
Dividend	(320,000)	-
	<hr/>	<hr/>
Net cash inflow/(outflow) from returns on Investments and servicing of finance	<u>(346,866)</u>	<u>(51,317)</u>

**Taxation**

	2014	2013
	£	£
Taxation	(21,795)	(44,790)
	<hr/>	<hr/>

**Capital expenditure and financial investment**

	2014	2013
	£	£
Payments to acquire tangible fixed assets	(945)	(34,626)
Receipts from sale of fixed assets	8,000	1,500
	<hr/>	<hr/>
Net cash outflow from capital expenditure and financial investment	<u>7,055</u>	<u>(33,126)</u>

**Financing**

	2014	2013
	£	£
(Decrease)/Increase in bank loans	(55,928)	(70,183)
Ordinary share capital	-	(5,286,197)
Share capital reduction	-	5,286,197
	<hr/>	<hr/>
Net cash inflow/(outflow) from financing	<u>(55,928)</u>	<u>(70,183)</u>

**Novitas Group Limited**  
**Company Registration Number 06410221**

**Notes for the financial statements**  
**Year ended 31 March 2014**

**25. Notes to the cash flow statement (continued)**

**Reconciliation of net cash flow to movement in net debt**

	<b>2014</b>		<b>2013</b>	
	£	£	£	£
(Decrease)/Increase in cash or cash equivalent in the year	187,449		166,765	
Net cash (inflow) from debt	55,928		70,183	
	<u>243,377</u>		<u>236,948</u>	
Change in net debt				
Net debt at 1 April 2013		(625,244)		(862,192)
Net debt at 31 March 2014		<u>(381,867)</u>		<u>(625,244)</u>

**Analysis of changes in net debt**

	At 1 April 2013 £	Cash flows £	At 31 March 2014 £
Net cash:			
Cash in hand and at bank	192,602	187,449	380,051
Debt:			
Debt due within 1 year	(75,100)	894	(74,206)
Debt due after 1 year	(742,746)	55,034	(687,712)
	<u>(817,846)</u>	<u>55,928</u>	<u>(761,918)</u>
Net debt	<u>(625,244)</u>	<u>243,377</u>	<u>(381,867)</u>