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Registered number: 06872056

J C PAYNE (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

RMY CLEMENTS
CHARTERED ACCOUNTANTS
& BUSINESS ADVISORS

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COMPANY INFORMATION

Directors	M K J Brandrick G J E Brandrick S Neil (resigned 30 April 2016) N C Brandrick
Registered number	06872056
Registered office	Unit 2 Westgate Aldridge Walsall West Midlands WS9 8EX
Independent auditors	RMY Clements Limited Lyndon House 62 Hagley Road Edgbaston Birmingham B16 8PE

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016

Introduction

The principal activity of the company during the year was that of the manufacture of commercial vehicle bodies and related components.

Business review

The directors are satisfied with the company's trading results for the year ended 31 March 2016 with shareholders' funds amounting to circa £1.2 million.

The company has performed well and grown in a challenging marketplace. During the period the company has continued to look to develop and diversify its product portfolio where possible.

Principal risks and uncertainties

The principal risks facing the company are strong competition, raw material purchase prices and general market conditions, including the impact of Brexit. The directors feel that the company is well placed to deal with these risks, but acknowledge that plans for the future growth and development of the company may be conditional on factors not controllable by the business.

Financial key performance indicators

The directors consider key financial performance indicators to be turnover and gross profit margin. We feel that improvements and investments in processes made will improve efficiency and margin, resulting in a position that the directors are happy the company will continue to be profitable in the next financial year.

This report was approved by the board on 20 December 2016 and signed on its behalf.

G J E Brandrick
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £913,696 *(2015 - £424,262)*.

The Directors recommended payment of dividends of £867,625 (2015:£Nil) during the period under review.

Directors

The directors who served during the year were:

M K J Brandrick
G J E Brandrick
S Neil (resigned 30 April 2016)
N C Brandrick

Future developments

The directors continue to improve and invest in processes with an aim to improve efficiency and margins.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, RMY Clements Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 December 2016 and signed on its behalf.

G J E Brandrick
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF J C PAYNE (UK) LIMITED

We have audited the financial statements of J C Payne (UK) Limited for the year ended 31 March 2016, set out on pages 6 to 30. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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 an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 2, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF J C PAYNE (UK) LIMITED (CONTINUED)

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Manjinder Sahota

Manjinder Singh Sahota ACA FCCA CTA (Senior statutory auditor)

for and on behalf of
RMY Clements Limited

Lyndon House
62 Hagley Road
Edgbaston
Birmingham
B16 8PE

20 December 2016

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	*2015* *£*
Turnover	4	**11,168,593**	*7,678,064*
Cost of sales		**(8,628,896)**	*(5,968,634)*
Gross profit		**2,539,697**	*1,709,430*
Administrative expenses		**(1,512,263)**	*(1,203,570)*
Other operating income	5	**-**	*33,074*
Operating profit	6	**1,027,434**	*538,934*
Interest receivable and similar income	10	**11,813**	*-*
Interest payable and expenses	11	**(2,177)**	*(3,522)*
Profit before tax		**1,037,070**	*535,412*
Tax on profit	12	**(123,374)**	*(111,150)*
Profit for the year		**913,696**	*424,262*

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

Depreciation and amortisation costs are included within Administrative expenses within the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets	14		450		600
Tangible assets	15		76,249		85,008
			76,699		85,608
Current assets					
Stocks	16	832,837		722,917	
Debtors: amounts falling due after more than one year	17	111,813		122,500	
Debtors: amounts falling due within one year	17	2,474,378		1,513,822	
Cash at bank and in hand	18	87,159		109,893	
		3,506,187		2,469,132	
Creditors: amounts falling due within one year	19	(2,361,121)		(1,376,720)	
Net current assets			1,145,066		1,092,412
Total assets less current liabilities			1,221,765		1,178,020
Provisions for liabilities					
Deferred tax	21	(14,674)		(17,000)	
			(14,674)		(17,000)
Net assets			1,207,091		1,161,020
Capital and reserves					
Called up share capital	22		100		100
Profit and loss account	23		1,206,991		1,160,920
			1,207,091		1,161,020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 December 2016.

G J E Brandrick

Director

The notes on pages 10 to 30 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	100	1,160,920	1,161,020
Comprehensive income for the year			
Profit for the year	-	913,696	913,696
Total comprehensive income for the year	-	913,696	913,696
Dividends: Equity capital	-	(867,625)	(867,625)
At 31 March 2016	100	1,206,991	1,207,091

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2014	100	736,658	736,758
Comprehensive income for the year			
Profit for the year	-	424,262	424,262
Total comprehensive income for the year	-	424,262	424,262
At 31 March 2015	100	1,160,920	1,161,020

The notes on pages 10 to 30 form part of these financial statements.

1. General information

The Company was incorporated as a Limited Company in the United Kingdom on 7 April 2009 and commenced trading on that date.

The Company's registered office is Unit 2 Westgate, Aldridge, Walsall, West Midlands, WS9 8EX.

The principal activity of the company in the period under review was that of the manufacture of commercial vehicle bodies and related components.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Information on the impact of first-time adoption of FRS 102 is given in note 28.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a high degree of judgment, complexity, or areas where assumptions and estimates are significant to the financial statements, are further explained in note 3 to these financial statements.

Cash flow

Under FRS 102 (section 1), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent company, KLGNV (Aldridge) Limited, includes the company's cash flows in its own published consolidated financial statements. The shareholders of the ultimate parent undertaking (see note 27 for further information), have been notified in writing about the adoption of this exemption, and do not object to the adoption.

The following accounting policies have been applied:

2. Accounting policies (continued)

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer, which is at the point where the goods are completed and ready for collection;

- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

- the amount of revenue can be measured reliably;

- it is probable that the Company will receive the consideration due under the transaction; and

- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Intangible fixed assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life of 10 years.

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is no longer recognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

At each balance sheet date, the company reviews the carrying amount of its tangible fixed assets to determine if there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating units to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to the recoverable amount. Any impairment losses are recognised immediately as an expense within the Statement of Comprehensive Income.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 20%-25% straight line
Office equipment	- 20%-50% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately, within the Statement of Comprehensive Income.

2. Accounting policies (continued)

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

2. Accounting policies (continued)

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

2.14 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2 to these financial statements, management is required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and expenses during the year. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The following judgments have had the most significant effect on the amounts recognised in the financial statements:

Depreciation

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Residual value and useful life assessments consider issues such as future market conditions, the remaining life of the asset and maintenance programmes.

Impairment

Management assesses the impairment of property, plant and equipment subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that may trigger an impairment review include the following: significant underperformance relative to the historical or projected future operating results; changes in the manner of the use of the acquired assets or the strategy for the overall business; and significant negative industry or economic trends, taking into account market knowledge, professional judgment and historical comparable transactions.

Stock provisions

Stocks are valued in the Balance Sheet after provision for slow moving and/or excess stocks. Such provisions take into account judgements of the current and future usage of each item of stock.

Bad debt provisions

Debtors are included in the Balance Sheet net of provision for bad or doubtful debts, based on an assessment of the likely future recoverable value of each debt.

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Truck bodies	10,994,054	7,371,538
Parts and repairs	174,539	306,526
	11,168,593	7,678,064

All turnover arose within the United Kingdom.

5. Other operating income

	2016 £	2015 £
Other operating income	-	30,000
Sundry income	-	3,074
	-	33,074

6. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	19,776	12,796
Amortisation of intangible assets, including goodwill	150	150
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	6,907	6,000
Defined contribution pension cost	52,477	5,637

7. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	6,907	6,000
	6,907	6,000

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

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	*2015* *£*
Wages and salaries	2,866,981	*1,990,757*
Social security costs	166,548	*149,660*
Cost of defined contribution scheme	52,477	*5,637*
	3,086,006	*2,146,054*

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

	2016 No.	*2015* *No.*
Employees	87	*68*

9. Directors' remuneration

	2016 £	*2015* *£*
Directors' emoluments	56,416	*97,171*
	56,416	*97,171*

10. Interest receivable

	2016 £	*2015* *£*
Other interest receivable	11,813	*-*
	11,813	*-*

11. Interest payable and similar charges

	2016 £	*2015* *£*
Other loan interest payable	2,177	*3,522*
	2,177	*3,522*

12. Taxation

	2016 £	*2015* *£*
Corporation tax		
Current tax on profits for the year	186,442	*103,743*
Adjustments in respect of previous periods	(60,742)	*(977)*
	125,700	*102,766*
Total current tax	125,700	*102,766*
Deferred tax		
Origination and reversal of timing differences	(2,326)	*8,556*
Effect of increased tax rate on opening liability	-	*(172)*
Total deferred tax	(2,326)	*8,384*
Taxation on profit on ordinary activities	123,374	*111,150*

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2015 - lower than)* the standard rate of corporation tax in the UK of 20% *(2015 - 21%)*. The differences are explained below:

	2016 £	*2015* *£*
Profit on ordinary activities before tax	**1,037,070**	*535,412*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	**207,414**	*112,437*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**3,277**	*126*
Capital allowances for year in excess of depreciation	**(575)**	*(421)*
Adjustments to tax charge in respect of prior periods	**(60,742)**	*(977)*
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	**(26,000)**	*-*
Marginal relief	**-**	*(15)*
Total tax charge for the year	**123,374**	*111,150*

Factors that may affect future tax charges

Adjustments to the prior year tax charge in the year ended 31 March 2016 relate to the finalisation of research and development claims for the financial year ended 31 March 2015.

The company has prepared a research and development claim for the financial year ending 31 March 2016. The expected value of the tax refund relating to this claim has been provided for within these financial statements. The claim is still subject to review and acceptance by HM Revenue and Customs.

The budget on 16 March 2016 announced the UK corporation tax rate will reduce to 19% for the finance years beginning on 1 April 2017, 1 April 2018 and 1 April 2019.
A further reduction to the UK corporation tax rate will occur for the finance year beginning 1 April 2020 to 17%.

This will reduce the company's future current tax charge accordingly.

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

13. Dividends

	2016	*2015*
	£	*£*
Ordinary		
Dividends payable	**867,625**	-
	867,625	-

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

14. Intangible assets

	Goodwill
	£
Cost	
At 1 April 2015	**1,500**
At 31 March 2016	**1,500**
Amortisation	
At 1 April 2015	**900**
Charge for the year	**150**
At 31 March 2016	**1,050**
Net book value	
At 31 March 2016	**450**
At 31 March 2015	*600*

15. Tangible fixed assets

	Plant & machinery £	Office equipment £	Total £
Cost or valuation			
At 1 April 2015	93,954	65,405	159,359
Additions	11,016	-	11,016
Disposals	(46,725)	(7,295)	(54,020)
At 31 March 2016	58,245	58,110	116,355
Depreciation			
At 1 April 2015	65,705	8,645	74,350
Charge for period	9,488	10,288	19,776
Disposals	(46,725)	(7,295)	(54,020)
At 31 March 2016	28,468	11,638	40,106
Net book value			
At 31 March 2016	29,777	46,472	76,249
At 31 March 2015	*28,249*	*56,759*	*85,008*

16. Stocks

	2016 £	*2015 £*
Raw materials and consumables	**610,542**	*597,312*
Work in progress	**222,295**	*125,605*
	832,837	*722,917*

Stock recognised as an expense, within the Statement of Comprehensive Income during the year was (£109,920) (2015: (£222,744)) for the company.

Stock write downs in respect of slow moving items, recognised within the Statement of Comprehensive Income during the year were £42,294 (2015: £Nil) for the company.

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

17. Debtors

	2016	*2015*
	£	*£*
Due after more than one year		
Other debtors	**111,813**	*122,500*
	111,813	*122,500*

	2016	*2015*
	£	*£*
Due within one year		
Trade debtors	**1,895,781**	*1,378,059*
Amounts owed by group undertakings	**412,881**	*-*
Other debtors	**100**	*100*
Prepayments and accrued income	**165,616**	*135,663*
	2,474,378	*1,513,822*

18. Cash and cash equivalents

	2016	*2015*
	£	*£*
Cash at bank and in hand	**87,159**	*109,893*
	87,159	*109,893*

19. Creditors: Amounts falling due within one year

	2016	*2015*
	£	*£*
Trade creditors	**905,190**	*641,505*
Corporation tax	**125,700**	*103,743*
Taxation and social security	**294,563**	*162,030*
Other creditors	**621,255**	*81,552*
Accruals and deferred income	**414,413**	*387,890*
	2,361,121	*1,376,720*

Included within other creditors is an amount of £566,813 (2015 - £56,279) which is secured by an all assets debenture by way of fixed and floating charges.

20. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	87,159	109,893
Financial assets that are measured at amortised cost	2,420,577	1,500,659
	2,507,736	1,610,552
Financial liabilities		
Financial liabilities measured at amortised cost	(1,526,445)	(723,057)
	(1,526,445)	(723,057)

Financial assets measured at fair value through profit or loss comprise bank and cash balances. Further details in respect of these balances can be found in note 18 to these financial statements, and the accounting policies adopted are included within note 2.8 to these financial statements.

Financial assets measured at amortised cost comprise trade debtors, other debtors, and amounts owed by group undertakings. Further details in respect of these balances can be found in note 17 to these financial statements, and the accounting policies adopted are included within note 2.8 to these financial statements.

Financial Liabilities measured at amortised cost comprise trade creditors and other creditors. Further details in respect of these balances can be found in note 19 to these financial statements, and the accounting policies adopted are included within note 2.8 to these financial statements.

21. Deferred taxation

	2016
	£
At beginning of year	(17,000)
Charged to the profit or loss	2,326
At end of year	**(14,674)**

The provision for deferred taxation is made up as follows:

	2016
	£
Accelerated capital allowances	(15,250)
Unpaid pension contributions	576
	(14,674)

22. Share capital

	2016	*2015*
	£	*£*
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	*100*

23. Reserves

Profit & loss account

The profit and loss reserves are all considered distributable.

24. Pension commitments

The company operates a group defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £52,477 (2015 - £5,636). Contributions totalling £2,868 (2015 - £1,756) were payable to the fund at the balance sheet date and are included in creditors.

25. *Commitments under operating leases*

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	*2015 £*
Land and buildings		
Not later than 1 year	**301,000**	-
Later than 1 year and not later than 5 years	**1,204,000**	-
Later than 5 years	**12,750**	-
	1,517,750	-

	2016 £	*2015 £*
Other operating leases		
Not later than 1 year	**1,300**	*3,900*
Later than 1 year and not later than 5 years	-	*1,300*
	1,300	*5,200*

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FOR THE YEAR ENDED 31 MARCH 2016

26. Related party transactions

	Charges incurred from related parties		Amounts due from related parties	
	2016	2015	2016	2015
	£	£	£	£
Casing Management Services Limited	200,000	198,000	200,084	198,000
Otis Vehicle Rentals Limited	84,696	51,615	2,195	3,178
J C Payne Specialist Services Limited	31,250	26,342	673	3,771
Total	315,946	275,957	202,952	204,949

	Sales and charges from related parties		Amounts due from related parties	
	2016	2015	2016	2015
	£	£	£	£
Otis Vehicle Rentals Limited	216,641	208,168	-	-
J C Payne Specialist Services Limited	87,538	122,642	115,143	151,072
Total	304,179	330,810	115,143	151,072

During the year the company was charged management charges of £200,000 (2015 - £198,000) from Casing Management Services Limited, a company in which M K J, G J E, and N C Brandrick are all directors. As at 31 March 2016, Casing Management Services Limited was owed £200,084 (2015 - £198,000) in respect of management charges.

During the year the company was charged staff recharges of £35,400 (2015 - £35,400) and made purchases totalling £49,296 (2015 - £16,215) from Otis Vehicle Rentals Limited, a company in which M K J, G J E, and N C Brandrick are all directors. In addition the company made sales of £216,641 (2015 - £208,169) to Otis Vehicle Rentals Limited in the period. As at 31 March 2016 Otis Vehicle Rentals Limited was owed £Nil (2015 - £Nil) in respect of recharged costs, £2,195 (2015 - £3,178) in respect of purchases and owed £Nil (2015 - £Nil) in respect of sales made.

During the year the company made purchases totalling £31,250 (2015 - £26,342) from J C Payne Specialist Services Limited, a company in which M K J, G J E, and N C Brandrick are all directors. In addition the company recharged costs of £82,081 (2015 - £116,287) to J C Payne Specialist Services Limited in the period. As at 31 March 2016, J C Payne Specialist Services Limited was owed £673 (2015 - £3,771) in respect of purchases and owed £3,655 (2015 - £22,217) in respect of recharges.

During the year ended 31 March 2015 a loan was made to J C Payne Specialist Services Limited at an interest rate of 4.5%. As at 31 March 2016 an amount of £111,813 (2015 - £128,855) remained outstanding on the loan and is included within debtors due in more than one year. Interest on the loan was charged of £5,457 during the year (2015 - £6,355).

All transactions with the above companies were made at arms length.

27. Controlling party

The company's ultimate parent undertaking is KLGNV (Aldridge) Limited.

From 6 July 2015, the ultimate parent company is KLGNV (Aldridge) Limited a company registered in England and Wales. A copy of the parent company accounts can be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

28. First time adoption of FRS 102

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 April 2014. The transition is not considered to have a material impact on the financial statements and no adjustments were necessary to restate the financial statements previously presented under UK GAAP, including the balance sheet, as at 1 April 2014, and the financial statements as at and for the year ended 31 March 2015.