

REGISTERED NUMBER: 07395451 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
FOR
D LUCAS LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2015**

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D LUCAS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015**

DIRECTORS:

D A Lucas
K D Mulholland

REGISTERED OFFICE:

11 Invicta Business Park
London Road
Wrotham
Kent
TN15 7RJ

REGISTERED NUMBER:

07395451 (England and Wales)

AUDITORS:

Cube Partners Limited
Chartered Accountants and Registered Auditors
5 Giffard Court
Millbrook Close
Northampton
Northamptonshire
NN5 5JF

D LUCAS LIMITED (REGISTERED NUMBER: 07395451)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their strategic report of the company and the group for the year ended 31 December 2015.

REVIEW OF BUSINESS

D Lucas Limited is the parent to a holding company and two trading companies. S. Lucas Limited is an established specialist spray and painting contractor with a track-record spanning six decades operating within the top end of the UK Construction Industry mainly working for high profile blue chip clients on landmark projects such as the Shard and the Olympic Stadium. Lucas Fit Out Limited is a specialist fit out contractor carrying out high profile fit out projects for major blue chip clients including BAA, Savoy Hotel and McLaren Motorsport.

The market was extremely competitive in the period given the economic climate. The directors continued to take action to maintain and strengthen the group's client base going forward. This has included redefining existing targets and adding further blue chip clients. Further to this, new business enquiries are being attracted following investment in a state of the art innovation centre to showcase new products, systems and methodology within the fit out and finishing sector.

The results for the group show a pre-tax profit of £776,652 for the period from sales of £19,889,392

During a challenging trading period the group has continued to improve and invest in the business by developing staff through an approved and ongoing Training & Development Plan, developing further the group's state of the art HQ and fully functional Logistics & Consolidation Centre in order to demonstrate our commitment to "Eco Friendly Contracting". The groups Muralplast sustainable surface treatments and the CPD seminars to industry professionals continue to enhance our reputation in the market. This, along with the new laboratory, graphics studio and paint colour centre has put the group at the front end of all future major projects, dealing with the country's leading architects and designers.

It is the group's ethos to always promote from within, and has had a number of key appointments over the period which has further strengthened the Senior Management Team. As always, the group is proud of the people who have helped to shape the business and through their dedication and commitment continue to deliver beyond expectations.

PRINCIPAL RISKS AND UNCERTAINTIES

The principle business risks and uncertainties affecting the business are considered to relate the general downturn in commercial fit out and finishing works coupled with a tightening private client market.

Looking beyond this, the group has recognised the widely discussed skills shortage in the UK construction industry and a need to attract and maintain a flow of new talent into the sector. According to KPMG and Construction Skills Council there was a labour deficit of 16% (31,420) painters and decorators joining the construction industry in 2015.

The business has taken the lead in this regard and 2016 will see the first year of the Lucas College Program backed and supported by industry leading names Akzo Nobel and Knauf and endorsed by official industry bodies CITB, Constructing Excellence and SECBE.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

FUTURE OUTLOOK

The commercial market in construction remains extremely competitive but given the steps the directors have taken, the group is well placed within the sector going forward. The group continues to secure high profile projects which ensures a strong performance in the coming year whilst still remaining totally focussed on the core business.

In the "pod / volumetric" market there has been selected adoption by clients for which Lucas has laid the foundations for its involvement through the new Lucas Innovation Centre.

With the recent re-investment in to the business, the group is now well placed to take advantage of the upturn in the top end of the UK construction market and the directors are confident that the business will remain strong by staying focussed in niche areas such as specialist projects and negotiated repeat work.

ON BEHALF OF THE BOARD:

D A Lucas - Director



10 May 2016

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of spray painting contractors, supply of surface coatings, fit out and redecoration specialists.

DIVIDENDS

Final dividends of £445,536 were declared and paid on 31 December 2015.

DIRECTORS

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

D A Lucas
K D Mulholland

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he 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, Cube Partners Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

D A Lucas - Director



10 May 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF D LUCAS LIMITED

We have audited the financial statements of D Lucas Limited for the year ended 31 December 2015 on pages seven to thirty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 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'; 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 based on the work undertaken in the course of the audit:

The information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.

The strategic report and the directors' report have been prepared in accordance with applicable legal requirements

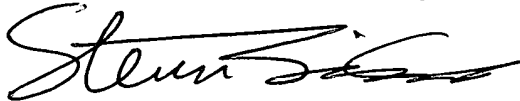
In light of our knowledge and understanding of the understanding of the company and the environment, we have not identified any material misstatements in the strategic report and the directors' report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
D LUCAS LIMITED**

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.



Steven Jones (Senior Statutory Auditor)
for and on behalf of Cube Partners Limited
Chartered Accountants and Registered Auditors
5 Giffard Court
Millbrook Close
Northampton
Northamptonshire
NN5 5JF

11 May 2016

D LUCAS LIMITED (REGISTERED NUMBER: 07395451)

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 £	2014 £
TURNOVER	3	19,889,392	11,251,458
Cost of sales		16,214,195	8,975,757
GROSS PROFIT		3,675,197	2,275,701
Administrative expenses		2,847,330	1,920,274
		827,867	355,427
Other operating income		13,720	25,476
OPERATING PROFIT	5	841,587	380,903
Interest receivable and similar income		219	394
		841,806	381,297
Interest payable and similar expenses	6	65,154	74,387
PROFIT BEFORE TAXATION		776,652	306,910
Tax on profit	7	221,570	109,982
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		555,082	196,928
Profit attributable to: Owners of the parent		555,082	196,928

The notes form part of these financial statements

D LUCAS LIMITED (REGISTERED NUMBER: 07395451)

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 £	2014 £
PROFIT FOR THE YEAR		555,082	196,928
OTHER COMPREHENSIVE INCOME		-	22,895
Income tax relating to		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	22,895
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>555,082</u>	<u>219,823</u>
Total comprehensive income attributable to: Owners of the parent		<u>555,082</u>	<u>219,823</u>

The notes form part of these financial statements

D LUCAS LIMITED (REGISTERED NUMBER: 07395451)

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2015**

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	10	2,014,828	2,146,529
Tangible assets	11	353,644	436,726
Investments	12	-	-
Investment property	12	-	219,500
		<u>2,368,472</u>	<u>2,802,755</u>
CURRENT ASSETS			
Stocks	13	38,889	23,352
Debtors: amounts falling due within one year	14	4,312,550	1,813,867
Debtors: amounts falling due after more than one year	14	8,500	8,500
Cash at bank		247,749	168,035
		<u>4,607,688</u>	<u>2,013,754</u>
CREDITORS			
Amounts falling due within one year	15	<u>4,399,961</u>	<u>2,020,858</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>207,727</u>	<u>(7,104)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,576,199</u>	<u>2,795,651</u>
CREDITORS			
Amounts falling due after more than one year	16	(596,808)	(911,959)
PROVISIONS FOR LIABILITIES	20	<u>(26,175)</u>	<u>(40,022)</u>
NET ASSETS		<u><u>1,953,216</u></u>	<u><u>1,843,670</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	1,162,115	1,162,115
Share premium	22	1,775	1,775
Revaluation reserve	22	-	22,895
Retained earnings	22	789,326	656,885
SHAREHOLDERS' FUNDS		<u><u>1,953,216</u></u>	<u><u>1,843,670</u></u>

The financial statements were approved by the Board of Directors on 10 May 2016 and were signed on its behalf by:

D A Lucas - Director



The notes form part of these financial statements

D LUCAS LIMITED (REGISTERED NUMBER: 07395451)

**COMPANY BALANCE SHEET
31 DECEMBER 2015**

	Notes	£	2015	£	£	2014	£
FIXED ASSETS							
Intangible assets	10		-			-	
Tangible assets	11		-			-	
Investments	12		3,549,419			3,549,419	
Investment property	13		-			-	
			<u>3,549,419</u>			<u>3,549,419</u>	
CURRENT ASSETS							
Debtors: amounts falling due within one year	15	464,445			10,062		
CREDITORS							
Amounts falling due within one year	16	<u>2,218,366</u>			<u>1,558,839</u>		
NET CURRENT LIABILITIES				(1,753,921)			(1,548,777)
TOTAL ASSETS LESS CURRENT LIABILITIES				1,795,498			2,000,642
CREDITORS							
Amounts falling due after more than one year	17		<u>544,719</u>			<u>715,588</u>	
NET ASSETS			<u>1,250,779</u>			<u>1,285,054</u>	
CAPITAL AND RESERVES							
Called up share capital	22		1,162,115			1,162,115	
Share premium	23		1,775			1,775	
Retained earnings	23		<u>86,889</u>			<u>121,164</u>	
SHAREHOLDERS' FUNDS			<u>1,250,779</u>			<u>1,285,054</u>	
Company's profit for the financial year			<u>411,261</u>			<u>224,526</u>	

The financial statements were approved by the Board of Directors on 10 May 2016 and were signed on its behalf by:

D A Lucas - Director



The notes form part of these financial statements

D LUCAS LIMITED (REGISTERED NUMBER: 07395451)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 January 2014	1,161,702	724,800	-	-	1,886,502
Changes in equity					
Issue of share capital	413	-	1,775	-	2,188
Dividends	-	(264,843)	-	-	(264,843)
Total comprehensive income	-	196,928	-	22,895	219,823
Balance at 31 December 2014	<u>1,162,115</u>	<u>656,885</u>	<u>1,775</u>	<u>22,895</u>	<u>1,843,670</u>
Changes in equity					
Dividends	-	(445,536)	-	-	(445,536)
Total comprehensive income	-	577,977	-	(22,895)	555,082
Balance at 31 December 2015	<u>1,162,115</u>	<u>789,326</u>	<u>1,775</u>	<u>-</u>	<u>1,953,216</u>

The notes form part of these financial statements

D LUCAS LIMITED (REGISTERED NUMBER: 07395451)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2014	1,161,702	161,481	-	1,323,183
Changes in equity				
Issue of share capital	413	-	1,775	2,188
Dividends	-	(264,843)	-	(264,843)
Total comprehensive income	-	224,526	-	224,526
Balance at 31 December 2014	<u>1,162,115</u>	<u>121,164</u>	<u>1,775</u>	<u>1,285,054</u>
Changes in equity				
Dividends	-	(445,536)	-	(445,536)
Total comprehensive income	-	411,261	-	411,261
Balance at 31 December 2015	<u>1,162,115</u>	<u>86,889</u>	<u>1,775</u>	<u>1,250,779</u>

The notes form part of these financial statements

D LUCAS LIMITED (REGISTERED NUMBER: 07395451)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 £	2014 £
Cash flows from operating activities			
Cash generated from operations	1	809,837	831,171
Interest paid		(56,153)	(70,551)
Interest element of hire purchase payments paid		(9,001)	(3,836)
Additional interest under FRS 102		34,276	40,318
Tax paid		(146,151)	(92,293)
Net cash from operating activities		632,808	704,809
Cash flows from investing activities			
Purchase of intangible fixed assets		(5,441)	(3,490)
Purchase of tangible fixed assets		(67,072)	(46,652)
Sale of tangible fixed assets		12,301	27,363
Sale of investment property		219,500	-
Interest received		219	394
Net cash from investing activities		159,507	(22,385)
Cash flows from financing activities			
Loan repayments in year		(409,102)	(254,858)
Hire purchase repayments		(73,636)	(62,315)
Amount withdrawn by directors		15,404	(110,224)
Share issue		-	413
Share premium		-	1,775
Equity dividends paid		(445,536)	(264,843)
Net cash from financing activities		(912,870)	(690,052)
Decrease in cash and cash equivalents		(120,555)	(7,628)
Cash and cash equivalents at beginning of year	2	168,035	175,663
Cash and cash equivalents at end of year	2	47,480	168,035

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

	2015	2014
	£	£
Profit before taxation	776,652	306,910
Depreciation charges	276,138	291,696
Profit on disposal of fixed assets	(1,142)	(8,342)
Finance costs	65,154	74,387
Finance income	(219)	(394)
	<u>1,116,583</u>	<u>664,257</u>
Increase in stocks	(15,537)	(602)
(Increase)/decrease in trade and other debtors	(2,425,779)	121,714
Increase in trade and other creditors	<u>2,134,570</u>	<u>45,802</u>
Cash generated from operations	<u><u>809,837</u></u>	<u><u>831,171</u></u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	247,749	168,035
Bank overdrafts	(200,269)	-
	<u>47,480</u>	<u>168,035</u>

Year ended 31 December 2014

	31.12.14	1.1.14
	£	£
Cash and cash equivalents	168,035	505,265
Bank overdrafts	-	(329,602)
	<u>168,035</u>	<u>175,663</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. STATUTORY INFORMATION

D Lucas Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings up to 31 December 2015. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired in the year are included in the consolidated profit and loss account from the date of acquisition.

Turnover

Turnover represents works performed by the group (excluding value added tax) in respect of goods and services provided in the ordinary course of business. Turnover is recognised once recoverability is deemed reasonably certain. It includes sales and all invoiced completed contracts together with the value of work certified on contracts in progress where profit can be ascertained. Retentions, claims and damages are credited to turnover when released by the customer.

Intangible fixed assets

Goodwill, being the amount paid in connection with the acquisition of a business in 2010, is being amortised evenly over its estimated useful life of twenty years.

Purchased patents and trade marks are amortised over their estimated useful economic life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 33% on reducing balance, 25% on reducing balance and 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Investment property

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

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

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

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

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

Pension costs and other post-retirement benefits

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

Long term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

All turnover is carried out wholly within the United Kingdom for the current and preceding periods.

4. EMPLOYEES AND DIRECTORS

	2015 £	2014 £
Wages and salaries	2,389,606	1,462,728
Social security costs	271,137	168,983
Other pension costs	47,417	51,186
	<u>2,708,160</u>	<u>1,682,897</u>

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

	2015	2014
Office management	22	13
Operation management	24	19
	<u>46</u>	<u>32</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 46.

	2015 £	2014 £
Directors' remuneration	<u>72,150</u>	<u>31,193</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. OPERATING PROFIT

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

	2015	2014
	£	£
Hire of plant and machinery	327,780	234,600
Depreciation - owned assets	83,924	101,981
Depreciation - assets on hire purchase contracts	55,071	53,116
Profit on disposal of fixed assets	(1,142)	(8,342)
Goodwill amortisation	133,635	133,635
Patents and licences amortisation	3,507	2,963
Auditors' remuneration	17,000	15,500
	<u> </u>	<u> </u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2015	2014
	£	£
Bank interest	7,068	10,661
Bank loan interest	5,966	9,900
Loan note interest	43,119	49,415
Corporation tax interest	-	575
Hire purchase	9,001	3,836
	<u> </u>	<u> </u>
	<u>65,154</u>	<u>74,387</u>

7. TAXATION

Analysis of the tax charge

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

	2015	2014
	£	£
Current tax:		
UK corporation tax	235,417	114,421
Deferred tax	(13,847)	(4,439)
	<u> </u>	<u> </u>
Tax on profit	<u>221,570</u>	<u>109,982</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2015 £	2014 £
Profit before tax	776,652	306,910
Profit multiplied by the standard rate of corporation tax in the UK of 20.250% (2014 - 21.500%)	157,272	65,986
Effects of:		
Expenses not deductible for tax purposes	57,247	23,434
Accelerated capital allowances	(24,914)	(3,286)
Goodwill on acquisition not allowable	27,061	27,061
Group relief	(1,780)	(1,989)
Enhanced research & development credit	(1,606)	(9,891)
Interest on FRS 102 transition	8,290	8,667
Total tax charge	221,570	109,982

Tax effects relating to effects of other comprehensive income

	Gross £	2014 Tax £	Net £
Unrealised surplus on properties	22,895	-	22,895
	22,895	-	22,895

8. INDIVIDUAL PROFIT AND LOSS ACCOUNT

As permitted by Section 408 of the Companies Act 2006, the Profit And Loss Account of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	2015 £	2014 £
Ordinary A shares of £1 each	151,492	90,000
Interim		
Ordinary B shares of £1 each	56,020	40,000
Interim		
Ordinary C shares of £1 each	30,000	29,843
Interim		
Ordinary D shares of £1 each	56,024	105,000
Interim		
Ordinary E shares of £1 each	152,000	-
	445,536	264,843

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

10. INTANGIBLE FIXED ASSETS**Group**

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 January 2015	2,672,691	29,635	2,702,326
Additions	-	5,441	5,441
At 31 December 2015	2,672,691	35,076	2,707,767
AMORTISATION			
At 1 January 2015	550,219	5,578	555,797
Amortisation for year	133,635	3,507	137,142
At 31 December 2015	683,854	9,085	692,939
NET BOOK VALUE			
At 31 December 2015	1,988,837	25,991	2,014,828
At 31 December 2014	2,122,472	24,057	2,146,529

11. TANGIBLE FIXED ASSETS**Group**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2015	-	280,316	629,232	138,652	1,048,200
Additions	23,907	14,628	28,537	-	67,072
Disposals	-	-	-	(39,370)	(39,370)
At 31 December 2015	23,907	294,944	657,769	99,282	1,075,902
DEPRECIATION					
At 1 January 2015	-	134,239	401,566	75,669	611,474
Charge for year	-	38,101	76,074	24,820	138,995
Eliminated on disposal	-	-	-	(28,211)	(28,211)
At 31 December 2015	-	172,340	477,640	72,278	722,258
NET BOOK VALUE					
At 31 December 2015	23,907	122,604	180,129	27,004	353,644
At 31 December 2014	-	146,077	227,666	62,983	436,726

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

11. TANGIBLE FIXED ASSETS - continued

Group

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

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2015 and 31 December 2015	161,148	76,251	50,607	288,006
DEPRECIATION				
At 1 January 2015	51,217	35,713	37,956	124,886
Charge for year	27,482	14,938	12,651	55,071
At 31 December 2015	78,699	50,651	50,607	179,957
NET BOOK VALUE				
At 31 December 2015	82,449	25,600	-	108,049
At 31 December 2014	109,931	40,538	12,651	163,120

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2015 and 31 December 2015	3,549,419
NET BOOK VALUE	
At 31 December 2015	3,549,419
At 31 December 2014	3,549,419

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

Subsidiaries

S Lucas Group Limited

Registered office:

Nature of business: Holding company

	% holding	2015 £	2014 £
Class of shares:	100.00		
A, B and C Ordinary			
Aggregate capital and reserves		174,390	174,390
Profit for the year		454,383	273,939

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

12. FIXED ASSET INVESTMENTS - continued

S Lucas Limited

Registered office:

Nature of business: Spray and painting contractors

	%		
Class of shares:	holding		
Ordinary	100.00		
		2015	2014
		£	£
Aggregate capital and reserves		1,087,204	950,502
Profit for the year		136,702	82,215

Lucas Fit Out Limited

Registered office:

Nature of business: Specialist fit out

	%		
Class of shares:	holding		
Ordinary	100.00		
		2015	2014
		£	£
Aggregate capital and reserves		1,052,426	911,671
Profit for the year		595,138	297,162

Lucas Living Limited

Registered office:

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	100.00		
		2015	2014
		£	£
Aggregate capital and reserves		1,000	1,000

Mural Plast Limited

Registered office:

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	100.00		
		2015	2014
		£	£
Aggregate capital and reserves		1,000	1,000

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 January 2015	219,500
Disposals	<u>(219,500)</u>
At 31 December 2015	<u>-</u>
NET BOOK VALUE	
At 31 December 2015	<u>-</u>
At 31 December 2014	<u>219,500</u>

Michael Parkes Surveyors Limited, external Chartered Surveyors, valued the investment land and buildings at Kendon Business Park on 14 August 2014 at an open market value of £219,500.

14. STOCKS

	Group	
	2015 £	2014 £
Consumables	<u>38,889</u>	<u>23,352</u>

15. DEBTORS

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Amounts falling due within one year:				
Trade debtors	1,074,993	444,638	-	-
Amounts owed by group undertakings	-	-	464,445	10,062
Amounts recoverable on contract	2,734,790	1,211,992	-	-
Other debtors	181,060	37,810	-	-
Directors' current accounts	72,905	-	-	-
VAT	29,124	-	-	-
Prepayments and accrued income	219,678	119,427	-	-
	<u>4,312,550</u>	<u>1,813,867</u>	<u>464,445</u>	<u>10,062</u>
Amounts falling due after more than one year:				
Other debtors	<u>8,500</u>	<u>8,500</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>4,321,050</u>	<u>1,822,367</u>	<u>464,445</u>	<u>10,062</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts (see note 18)	200,269	78,100	-	-
Other loans (see note 18)	100,000	100,000	100,000	100,000
Hire purchase contracts (see note 19)	21,038	67,542	-	-
Trade creditors	1,295,937	701,761	-	-
Amounts owed to group undertakings	-	-	2,089,269	1,421,232
Tax	235,417	146,151	-	-
Social security and other taxes	353,398	289,577	-	-
VAT	-	226,728	-	-
Other creditors	28,170	22,805	-	-
Directors' current accounts	88,708	399	-	-
Accruals and deferred income	2,050,138	352,202	2,211	2,014
	<u>4,373,075</u>	<u>1,985,265</u>	<u>2,191,480</u>	<u>1,523,246</u>

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans (see note 18)	-	117,150	-	-
Other loans (see note 18)	571,605	751,181	571,605	751,181
Hire purchase contracts (see note 19)	52,089	79,221	-	-
	<u>623,694</u>	<u>947,552</u>	<u>571,605</u>	<u>751,181</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Amounts falling due within one year or on demand:				
Bank overdrafts	200,269	-	-	-
Bank loans	-	78,100	-	-
Loan notes within 1 year	126,886	135,593	126,886	135,593
	<u>327,155</u>	<u>213,693</u>	<u>126,886</u>	<u>135,593</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	-	78,100	-	-
Loan notes 2 - 5 years	100,000	100,000	100,000	100,000
	<u>100,000</u>	<u>178,100</u>	<u>100,000</u>	<u>100,000</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	-	39,050	-	-
Other loans - 2-5 years	300,000	300,000	300,000	300,000
	<u>300,000</u>	<u>339,050</u>	<u>300,000</u>	<u>300,000</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Loan notes more than 5 years	144,719	315,588	144,719	315,588
	<u>144,719</u>	<u>315,588</u>	<u>144,719</u>	<u>315,588</u>

Other loans of £26,886 (2014: £35,593) are unsecured loans provided by shareholders. No interest accrues on the loans. Repayment is on demand by the relevant shareholder.

Interest accrues on the loan notes at a rate of 1% per annum on the capital amount outstanding.

19. LEASING AGREEMENTS

Group

Minimum lease payments under hire purchase fall due as follows:

	Hire purchase contracts	
	2015 £	2014 £
Net obligations repayable:		
Within one year	21,038	67,542
Between one and five years	52,089	79,221
	<u>73,127</u>	<u>146,763</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2015	2014
	£	£
Bank overdraft	200,269	-
Bank loans	-	195,250
	<u>200,269</u>	<u>195,250</u>

The overdraft facility is jointly and severally guaranteed by the S Lucas Group Limited, S. Lucas Limited and Lucas Fit Out Limited. There is an unlimited composite guarantee of each company to secure all liabilities of each other.

The overdraft facility is secured by floating and fixed charges over all assets of S Lucas Group Limited, S. Lucas Limited and Lucas Fit Out Limited in favour of the bank.

21. PROVISIONS FOR LIABILITIES

	Group	
	2015	2014
	£	£
Deferred tax	<u>26,175</u>	<u>40,022</u>
Group		
		Deferred tax
		£
Balance at 1 January 2015		40,022
Accelerated capital allowances		(13,847)
Balance at 31 December 2015		<u>26,175</u>

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015	2014
			£	£
7,304	Ordinary A	£1	7,304	7,304
2,080	Ordinary B	£1	2,080	2,080
1,028	Ordinary C	£1	1,028	1,028
1,151,701	Redeemable Preference	£1	1,151,701	1,151,701
1	D Ordinary	£1	1	2
1	Ordinary E	£1	1	-
			<u>1,162,115</u>	<u>1,162,115</u>

Allotted and issued:

Number:	Class:	Nominal value:	2015	2014
			£	£
1	Ordinary E	£1	<u>1</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

22. CALLED UP SHARE CAPITAL - continued

During the period 1 D Ordinary share of £1 was reclassified to 1 Ordinary E share of £1

The rights attached to each class of shares are as follows:

Ordinary A and B shares have full rights to receive notice of, and to attend and vote at general meetings of the company. Right to appoint a director of the company.

Ordinary C, D and E shares have full rights to receive notice of, and to attend and vote at general meetings of the company.

Redeemable Preference have no rights to receive notice of, and to attend and vote at general meetings of the company unless rights attached to the Redeemable Preference shares are directly or adversely affected.

23. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2015	656,885	1,775	22,895	681,555
Profit for the year	555,082			555,082
Dividends	(445,536)			(445,536)
Revaluation	22,895	-	(22,895)	-
At 31 December 2015	<u>789,326</u>	<u>1,775</u>	<u>-</u>	<u>791,101</u>

Company

	Retained earnings £	Share premium £	Totals £
At 1 January 2015	121,164	1,775	122,939
Profit for the year	411,261		411,261
Dividends	(445,536)		(445,536)
At 31 December 2015	<u>86,889</u>	<u>1,775</u>	<u>88,664</u>

24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

As at 31 December 2015, an amount was due from/(to) the group to the director's as follows:

D Lucas £88,708 (2014: £7)
K Mulholland (£72,905) (2014: £392)

Amounts owed to and from the directors are unsecured, interest free and repayable on demand

25. RELATED PARTY DISCLOSURES

During the year, total dividends of £207,512 were paid to the directors.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

25. RELATED PARTY DISCLOSURES - continued

During the year the group loaned £75,310 (2014: £37,810) to My Private Living Ltd, a company in which D Lucas is also director and shareholder. This amount is repayable on demand and no interest is being charged. This amount due is included within other creditors: amounts falling due within one year.

During the year the group loaned £43,150 to Littergram Ltd, a company in which D Lucas is also director and shareholder. This amount is repayable on demand and no interest is being charged. This amount due is included within other creditors: amounts falling due within one year.

During the year the group loaned £17,500 to ThoughtShare Ltd, a company in which D Lucas is also director and shareholder. This amount is repayable on demand and no interest is being charged. This amount due is included within other creditors: amounts falling due within one year.

During the year the group loaned £8,950 to SmartSite App Ltd, a company in which D Lucas is also director and shareholder. This amount is repayable on demand and no interest is being charged. This amount due is included within other creditors: amounts falling due within one year.

During the year the group sold an investment property for £219,500 to Homebuckle Trustees Ltd, a company which is holding in trust a SIPP owned by D Lucas.

Further guarantee is given by Mr D Lucas to secure all liabilities of S Lucas Group Limited, limited to £650,000, supported by a mortgage over a freehold property owned by Mr D Lucas.

26. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr D Lucas by virtue of his majority shareholding of the company.

27. SHARE-BASED PAYMENT TRANSACTIONS

During the year, there were no share options exercised by the director K Mulholland (2014 413 Ordinary B shares were exercised at a price of £5.30 per share).

28. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid over the term of the lease agreements:

	2015	2014
	£	£
Within one year	116,800	94,000
Between one and five years	392,200	361,000
After more than five years	150,200	178,500
	<u>659,200</u>	<u>633,500</u>

D LUCAS LIMITED (REGISTERED NUMBER: 07395451)

RECONCILIATION OF EQUITY
1 JANUARY 2014
(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		2,279,637	-	2,279,637
Tangible assets		686,898	-	686,898
		<u>2,966,535</u>	<u>-</u>	<u>2,966,535</u>
CURRENT ASSETS				
Stocks		22,750	-	22,750
Debtors		1,944,080	-	1,944,080
Cash at bank		505,265	-	505,265
		<u>2,472,095</u>	<u>-</u>	<u>2,472,095</u>
CREDITORS				
Amounts falling due within one year		(2,361,632)	-	(2,361,632)
NET CURRENT ASSETS		<u>110,463</u>	<u>-</u>	<u>110,463</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,076,998</u>	<u>-</u>	<u>3,076,998</u>
CREDITORS				
Amounts falling due after more than one year		(1,307,516)	-	(1,307,516)
PROVISIONS FOR LIABILITIES		<u>(44,461)</u>	<u>-</u>	<u>(44,461)</u>
NET ASSETS		<u>1,725,021</u>	<u>-</u>	<u>1,725,021</u>
CAPITAL AND RESERVES				
Called up share capital		1,161,702	-	1,161,702
Retained earnings		563,319	-	563,319
SHAREHOLDERS' FUNDS		<u>1,725,021</u>	<u>-</u>	<u>1,725,021</u>
		<u>1,725,021</u>	<u>-</u>	<u>1,725,021</u>

The notes form part of these financial statements

RECONCILIATION OF EQUITY - continued
31 DECEMBER 2014

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		2,146,529	-	2,146,529
Tangible assets		436,726	-	436,726
Investment property		219,500	-	219,500
		<u>2,802,755</u>	<u>-</u>	<u>2,802,755</u>
CURRENT ASSETS				
Stocks		23,352	-	23,352
Debtors		1,822,367	-	1,822,367
Cash at bank		168,035	-	168,035
		<u>2,013,754</u>	<u>-</u>	<u>2,013,754</u>
CREDITORS				
Amounts falling due within one year		(1,985,265)	-	(1,985,265)
NET CURRENT ASSETS		<u>28,489</u>	<u>-</u>	<u>28,489</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,831,244</u>	<u>-</u>	<u>2,831,244</u>
CREDITORS				
Amounts falling due after more than one year		(1,068,716)	121,164	(947,552)
PROVISIONS FOR LIABILITIES		<u>(40,022)</u>	<u>-</u>	<u>(40,022)</u>
NET ASSETS		<u>1,722,506</u>	<u>121,164</u>	<u>1,843,670</u>
CAPITAL AND RESERVES				
Called up share capital		1,162,115	-	1,162,115
Share premium		1,775	-	1,775
Revaluation reserve		22,895	-	22,895
Retained earnings		535,721	121,164	656,885
SHAREHOLDERS' FUNDS		<u>1,722,506</u>	<u>121,164</u>	<u>1,843,670</u>
		<u>1,722,506</u>	<u>121,164</u>	<u>1,843,670</u>

D LUCAS LIMITED (REGISTERED NUMBER: 07395451)

**RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	11,251,458	-	11,251,458
Cost of sales	(8,975,757)	-	(8,975,757)
GROSS PROFIT	2,275,701	-	2,275,701
Administrative expenses	(1,920,275)	1	(1,920,274)
Other operating income	25,476	-	25,476
OPERATING PROFIT	380,902	1	380,903
Interest receivable and similar income	394	-	394
Interest payable and similar expenses	(34,070)	(40,317)	(74,387)
PROFIT BEFORE TAXATION	347,226	(40,316)	306,910
Tax on profit	(109,982)	-	(109,982)
PROFIT FOR THE FINANCIAL YEAR	347,226	(40,316)	306,910
Profit attributable to: Owners of the parent	347,226	(40,316)	306,910

The notes form part of these financial statements