

REGISTERED NUMBER: 10143062 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 September 2018
for
Cartwright King Limited**

**Contents of the Financial Statements
for the Year Ended 30 September 2018**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Statement of Income and Retained Earnings	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	11

Cartwright King Limited
Company Information
for the Year Ended 30 September 2018

DIRECTORS:

Mr S J Gelsthorpe
Mr M G Thurston
Mr R J Hawke

SECRETARY:

Mr S J Gelsthorpe

REGISTERED OFFICE:

First Floor
Lock House
Castle Meadow Road
Nottingham
NG2 1AG

REGISTERED NUMBER:

10143062 (England and Wales)

AUDITORS:

Franklin Underwood, Statutory Auditor
1 Pinnacle Way
Pride Park
Derby
Derbyshire
DE24 8ZS

**Strategic Report
for the Year Ended 30 September 2018**

The directors present their strategic report for the year ended 30 September 2018.

REVIEW OF BUSINESS

Financial performance was slightly behind our targets for a number of reasons outside of our control but we remained profitable. Turnover has been reduced this year, however costs have reduced in line, providing a stable gross profit margin of 32.5% compared to 31.6% in the previous year. Great energy has been put into improving internal efficiency.

Government sourced public funding is a major source of income for the company and, whilst the rates of pay in some sectors are lower than in other areas of the profession, those contracts provide a reliable source of income which is sufficient for our business models.

The previous years exceptional income item (Note 5) in the profit and loss account is not trading income but a one off item that will not be repeated as it relates to the treatment of the assets acquired by the company from the former partnership when hived up on formation. When this item is discounted, and compared to the current year net profit margin and improved performance has occurred of 1.4% compared to 1.2%.

PRINCIPAL RISKS AND UNCERTAINTIES

The outlook for 2018/19 remains positive. In 2018 the company renewed and expanded the Legal Aid Agency civil contracts for 5 years, giving a secure opportunity for fresh expansion and the momentum for increasing the income received from outside the public sector.

The directors are satisfied that there are no significant risks to the business outside those normally associated with the very competitive nature of the legal services industry.

ON BEHALF OF THE BOARD:

Mr M G Thurston - Director

20 March 2019

**Report of the Directors
for the Year Ended 30 September 2018**

The directors present their report with the financial statements of the company for the year ended 30 September 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a Solicitors firm.

DIVIDENDS

Interim dividends per share were paid during the year as follows:

Ordinary A1 £1	- £15.40
Ordinary A2 £1	- £15.40
Ordinary A3 £1	- £25.94

The total distribution of dividends for the year ended 30 September 2018 will be £ 437,700 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2017 to the date of this report.

Mr S J Gelsthorpe
Mr M G Thurston
Mr R J Hawke

DISCLOSURE IN THE STRATEGIC REPORT

Review of the Business

The review of the development and performance of the business of the company during the year and the future outlook of the company is set out in the Strategic Report.

Principal Risks and Uncertainties

The review of the principal risks and uncertainties are set out in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

**Report of the Directors
for the Year Ended 30 September 2018**

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 company'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 company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Mr M G Thurston - Director

20 March 2019

Report of the Independent Auditors to the Members of Cartwright King Limited

Opinion

We have audited the financial statements of Cartwright King Limited (the 'company') for the year ended 30 September 2018 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Cartwright King Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.

Gary Underwood (Senior Statutory Auditor)
for and on behalf of Franklin Underwood, Statutory Auditor
1 Pinnacle Way
Pride Park
Derby
Derbyshire
DE24 8ZS

20 March 2019

Cartwright King Limited (Registered number: 10143062)

**Statement of Income and Retained Earnings
for the Year Ended 30 September 2018**

	Notes	2018 £	2017 £
TURNOVER		13,051,660	14,858,744
Cost of sales		<u>8,807,898</u>	<u>10,157,678</u>
GROSS PROFIT		4,243,762	4,701,066
Administrative expenses		<u>3,890,897</u>	<u>4,473,265</u>
		352,865	227,801
Other operating income		<u>-</u>	<u>80,561</u>
OPERATING PROFIT	4	352,865	308,362
Exceptional item	5	<u>-</u>	<u>1,184,948</u>
		352,865	1,493,310
Interest receivable and similar income		<u>3,919</u>	<u>4,788</u>
		356,784	1,498,098
Interest payable and similar expenses	6	<u>171,669</u>	<u>140,193</u>
PROFIT BEFORE TAXATION		185,115	1,357,905
Tax on profit	7	<u>50,425</u>	<u>40,539</u>
PROFIT FOR THE FINANCIAL YEAR		134,690	1,317,366
Retained earnings at beginning of year		952,566	-
Dividends	8	(437,700)	(364,800)
RETAINED EARNINGS AT END OF YEAR		<u>649,556</u>	<u>952,566</u>

The notes form part of these financial statements

Cartwright King Limited (Registered number: 10143062)

**Balance Sheet
30 September 2018**

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Tangible assets	9		232,172		365,062
Investments	10		<u>20,000</u>		<u>20,000</u>
			252,172		385,062
CURRENT ASSETS					
Work in progress	11	5,359,676		5,926,690	
Debtors	12	2,073,540		2,275,662	
Cash in hand		<u>2,300</u>		<u>2,300</u>	
		7,435,516		8,204,652	
CREDITORS					
Amounts falling due within one year	13	<u>5,186,480</u>		<u>5,021,990</u>	
NET CURRENT ASSETS			<u>2,249,036</u>		<u>3,182,662</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,501,208		3,567,724
CREDITORS					
Amounts falling due after more than one year	14		<u>1,826,652</u>		<u>2,590,158</u>
NET ASSETS			<u>674,556</u>		<u>977,566</u>
CAPITAL AND RESERVES					
Called up share capital	18		25,000		25,000
Retained earnings	19		<u>649,556</u>		<u>952,566</u>
SHAREHOLDERS' FUNDS			<u>674,556</u>		<u>977,566</u>

The financial statements were approved by the Board of Directors on 20 March 2019 and were signed on its behalf by:

Mr S J Gelsthorpe - Director

Mr M G Thurston - Director

The notes form part of these financial statements

Cartwright King Limited (Registered number: 10143062)

**Cash Flow Statement
for the Year Ended 30 September 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	692,620	(4,134,801)
Interest paid		(170,663)	(136,180)
Interest element of finance lease payments paid		(1,006)	(4,013)
Tax paid		(52,998)	-
Net cash from operating activities		<u>467,953</u>	<u>(4,274,994)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(33,480)	(549,342)
Purchase of fixed asset investments		-	(20,000)
Interest received		3,919	4,788
Net cash from investing activities		<u>(29,561)</u>	<u>(564,554)</u>
Cash flows from financing activities			
New loans in year		500,000	4,230,007
Loan repayments in year		(745,642)	(842,997)
Amount introduced by directors		-	364,800
Amount withdrawn by directors		(48,442)	(406,928)
Share issue		-	24,900
Equity dividends paid		(437,700)	(364,800)
Net cash from financing activities		<u>(731,784)</u>	<u>3,004,982</u>
Decrease in cash and cash equivalents		<u>(293,392)</u>	<u>(1,834,566)</u>
Cash and cash equivalents at beginning of year	2	(1,834,466)	100
Cash and cash equivalents at end of year	2	<u>(2,127,858)</u>	<u>(1,834,466)</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 September 2018

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

	2018	2017
	£	£
Profit before taxation	185,115	1,357,905
Depreciation charges	166,370	184,280
Finance costs	171,669	140,193
Finance income	(3,919)	(4,788)
	<u>519,235</u>	<u>1,677,590</u>
Decrease/(increase) in work in progress	567,014	(5,926,690)
Decrease/(increase) in trade and other debtors	221,653	(2,133,574)
(Decrease)/increase in trade and other creditors	<u>(615,282)</u>	<u>2,247,873</u>
Cash generated from operations	<u><u>692,620</u></u>	<u><u>(4,134,801)</u></u>

2. **CASH AND CASH EQUIVALENTS**

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

Year ended 30 September 2018

	30.9.18	1.10.17
	£	£
Cash and cash equivalents	2,300	2,300
Bank overdrafts	<u>(2,130,158)</u>	<u>(1,836,766)</u>
	<u><u>(2,127,858)</u></u>	<u><u>(1,834,466)</u></u>

Year ended 30 September 2017

	30.9.17	1.10.16
	£	£
Cash and cash equivalents	2,300	100
Bank overdrafts	<u>(1,836,766)</u>	<u>-</u>
	<u><u>(1,834,466)</u></u>	<u><u>100</u></u>

**Notes to the Financial Statements
for the Year Ended 30 September 2018**

1. STATUTORY INFORMATION

Cartwright King 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 Company 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 as modified by the use of fair values for certain financial instruments in accordance with the accounting policies set out below.

Preparation of consolidated financial statements

The financial statements contain information about Cartwright King Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 402 of the Companies Act 2006 not to prepare consolidated financial statements on the grounds that the subsidiary undertakings are not material for the purpose of giving a true and fair view.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 reversed if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

No significant judgements have been made by management in preparing these financial statements.

Key sources of estimation uncertainty

No key sources of uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Revenue recognition

Fees receivable represent the fair value of services provided during the year on client assignments. Fair value reflects the amount expected to be recoverable from clients based on time spent, skills provided and expenses incurred, and excludes VAT. Fee income is recognised as contract activity progresses and the right to consideration is secured, except where the final outcome cannot be assessed with reasonable certainty.

Fee income in respect of contingent fee assignments is recognised in the period when the contingent event occurs and collectability of the fee is assured.

Unbilled fee income on individual assignments is included as work in progress.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Office equipment - 25% on cost

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2018**

2. ACCOUNTING POLICIES - continued

Work in progress

Work in progress is valued in accordance with FRS5 and the guidance issued in UITF 40. Hence all unbilled/incomplete time has been valued at fair value and reflects the time spent and the skills and expertise that have been provided.

Financial instruments

The company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from and to related parties and bank loans.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due for goods sold or services rendered in the ordinary course of business.

Trade debtors are recognised at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtor.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade creditors are recognised at the transaction price.

Trade creditors are classified as current liabilities of the company. The company does not have an unconditional right, at the end of the reporting date, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

3. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	7,823,549	9,187,657
Social security costs	824,067	964,727
Other pension costs	233,720	175,712
	<u>8,881,336</u>	<u>10,328,096</u>

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

	2018	2017
Fee earning and administration	<u>209</u>	<u>253</u>

	2018	2017
	£	£
Directors' remuneration	25,500	150,000
Directors' pension contributions to money purchase schemes	<u>45,000</u>	<u>-</u>

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

	2018	2017
Money purchase schemes	<u>3</u>	<u>3</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	2018	2017
	£	£
Hire of plant and machinery	24,355	46,331
Depreciation - owned assets	166,370	184,280
Auditors' remuneration	<u>12,000</u>	<u>10,500</u>

5. **EXCEPTIONAL ITEMS**

	2018	2017
	£	£
Exceptional item	<u>-</u>	<u>1,184,948</u>

On 1st October 2016, the business of Cartwright King, formerly conducted through a partnership of two limited companies; S J Gelsthorpe Limited and M G Thurston Limited, was "hived up" to the newly formed company Cartwright King Limited. In order to facilitate the hiving up of the assets of the former partnership, a dividend "in specie" was made to Cartwright King Limited. This dividend was not received in cash, but rather represents the book value of all assets introduced during the restructure.

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018	2017
	£	£
Bank interest	170,663	136,180
Leasing	<u>1,006</u>	<u>4,013</u>
	<u>171,669</u>	<u>140,193</u>

7. **TAXATION**

Analysis of the tax charge

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

	2018	2017
	£	£
Current tax:		
UK corporation tax	53,644	52,998
Deferred tax	<u>(3,219)</u>	<u>(12,459)</u>
Tax on profit	<u>50,425</u>	<u>40,539</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

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:

	2018 £	2017 £
Profit before tax	<u>185,115</u>	<u>1,357,905</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.499%)	35,172	264,778
Effects of:		
Expenses not deductible for tax purposes	6,562	30,136
Income not taxable for tax purposes	-	(231,053)
Capital allowances in excess of depreciation	-	(10,863)
Depreciation in excess of capital allowances	11,910	-
Deferred tax movement	<u>(3,219)</u>	<u>(12,459)</u>
Total tax charge	<u>50,425</u>	<u>40,539</u>

8. **DIVIDENDS**

	2018 £	2017 £
Ordinary A1 shares of £1 each Interim	154,000	182,400
Ordinary A2 shares of £1 each Interim	154,000	182,400
Ordinary A3 shares of £1 each Interim	<u>129,700</u>	<u>-</u>
	<u>437,700</u>	<u>364,800</u>

9. **TANGIBLE FIXED ASSETS**

	Office equipment £
COST	
At 1 October 2017	549,342
Additions	<u>33,480</u>
At 30 September 2018	<u>582,822</u>
DEPRECIATION	
At 1 October 2017	184,280
Charge for year	<u>166,370</u>
At 30 September 2018	<u>350,650</u>
NET BOOK VALUE	
At 30 September 2018	<u>232,172</u>
At 30 September 2017	<u>365,062</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

10. **FIXED ASSET INVESTMENTS**

Shares in
group
undertakings
£

COST

At 1 October 2017
and 30 September 2018

20,000

NET BOOK VALUE

At 30 September 2018
At 30 September 2017

20,000

20,000

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

S J Gelsthorpe Limited

Registered office: C/o Cartwright King Solicitors, Lock House, Wilford Road, Nottingham, NG2 1AG

Nature of business: Dormant

	% holding	2018 £	2017 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(11,933)	(11,712)
Loss for the year		<u>(221)</u>	<u>(11,713)</u>

M G Thurston Limited

Registered office: C/o Cartwright King Solicitors, Lock House, Wilford Road, Nottingham, NG2 1AG

Nature of business: Dormant

	% holding	2018 £	2017 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(2,096)	(1,875)
Loss for the year		<u>(221)</u>	<u>(1,876)</u>

11. **WORK IN PROGRESS**

	2018 £	2017 £
Work-in-progress	<u>5,359,676</u>	<u>5,926,690</u>

Costs of work in progress recognised as an expense in the year amounted to £7,798,049 (2017: £9,037,657)

12. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade debtors	1,351,632	1,561,084
Directors' loan accounts	145,941	129,629
Deferred tax	15,678	12,459
Prepayments and accrued income	<u>560,289</u>	<u>572,490</u>
	<u>2,073,540</u>	<u>2,275,662</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 15)	3,256,124	2,435,457
Other loans (see note 15)	37,808	43,547
Finance leases (see note 16)	15,203	14,614
Trade creditors	939,941	607,562
Amounts owed to group undertakings	130,000	140,000
Tax	53,644	52,998
Social security and other taxes	197,398	325,829
VAT	335,724	958,243
Other creditors	76,104	56,972
Directors' loan accounts	55,371	87,501
Accruals and deferred income	89,163	299,267
	<u>5,186,480</u>	<u>5,021,990</u>

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

	2018	2017
	£	£
Bank loans (see note 15)	1,313,806	1,931,667
Finance leases (see note 16)	2,591	17,795
Amounts owed to group undertakings	510,255	640,696
	<u>1,826,652</u>	<u>2,590,158</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	2,130,158	1,836,766
Bank loans	1,125,966	598,691
Other loans	37,808	43,547
	<u>3,293,932</u>	<u>2,479,004</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>348,304</u>	<u>626,100</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>931,484</u>	<u>958,451</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>34,018</u>	<u>347,116</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2018	2017
	£	£
Net obligations repayable:		
Within one year	15,203	14,614
Between one and five years	2,591	17,795
	<u>17,794</u>	<u>32,409</u>
	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	199,986	565,134
Between one and five years	683,481	1,172,890
In more than five years	178,043	31,687
	<u>1,061,510</u>	<u>1,769,711</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Bank overdrafts	2,130,158	1,836,766
Bank loans	2,439,772	2,530,358
Finance leases	17,794	32,409
	<u>4,587,724</u>	<u>4,399,533</u>

Bank loans and overdraft are secured by way of a fixed and floating charge over the company's assets, as well as personal guarantees provided by S J Gelsthorpe and M G Thurston to the extent of £1.6 million.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£	£
10,000	Ordinary A1	£1	10,000	10,000
10,000	Ordinary A2	£1	10,000	10,000
5,000	Ordinary A3	£1	5,000	5,000
			<u>25,000</u>	<u>25,000</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

19. **RESERVES**

	Retained earnings £
At 1 October 2017	952,566
Profit for the year	134,690
Dividends	(437,700)
At 30 September 2018	<u>649,556</u>

20. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 30 September 2018 and 30 September 2017:

	2018 £	2017 £
Mr R J Hawke		
Balance outstanding at start of year	129,629	-
Amounts advanced	146,012	157,019
Amounts repaid	(129,700)	(27,390)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>145,941</u>	<u>129,629</u>

Interest was charged on directors' advances at HM Revenue & Customs' official rate of 2.5% per annum.

The directors overdrawn loan account was cleared within nine months of the year end.

21. **RELATED PARTY DISCLOSURES**

The balance outstanding on interest free loans provided from companies controlled by a common director / member of key management, amounted to £37,808 (2017: £43,547).

Key management personnel of the entity (in the aggregate)

	2018 £	2017 £
Salaries	25,500	150,000
Social security contributions	<u>2,938</u>	<u>20,418</u>

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