

Registered number: SC096222

Dunard Limited
Annual report and financial statements
for the year ended 31 December 2016

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Dunard Limited

Annual report and financial statements for the year ended 31 December 2016

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Directors and advisers

Executive directors

W S Woof
C C Grigor

Company secretary and registered office

W S Woof

4 Royal Terrace
Edinburgh
EH7 5AB

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
3 Forbury Place
23 Forbury Road
Reading
Berkshire
RG1 3JH

Bankers

RBS Plc
1 Spinningfields Square
Manchester
M3 3AP

Directors' report for the year ended 31 December 2016

The directors present their report and the audited financial statements of the company for the year ended 31 December 2016. This report has been prepared in accordance with the special provisions of part 15, chapter 1 (section 382 and 383) of the Companies Act 2006 relating to small companies.

Results and dividends

The profit for the financial year amounted to £12,414 (2015: profit £16,479) which will be added to reserves. The directors do not recommend payment of a dividend (2015: £nil).

Future Developments

Due to the nature of the company, the company's directors are confident that the current level of performance will be maintained in the future.

Following the change in the business model in 2015 to provide payroll services on the 'payroll bureau' model no further change to the business is envisaged by the directors.

Financial Risk Management

The company's operations expose it to a variety of financial risks that include the effects of credit risk and liquidity risk. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board are implemented by the company's finance department.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before they are engaged.

Liquidity risk

The company actively maintains an appropriate level of debt finance that is designed to ensure that the company has sufficient available funds for operations.

Qualifying third party indemnity provisions

At the time the report is approved there are no qualifying third party indemnity provisions in place for the benefit of one or more of the directors.

Directors

The directors who held office during the year and up to the date of signing the financial statements, are given below:

W S Woof

C C Grigor

Directors' report for the year ended 31 December 2016 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

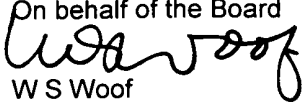
The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board

W S Woof
Director
28th September 2017

Independent auditors' report to the members of Dunard Limited

Report on the financial statements

Our opinion

In our opinion, Dunard Limited's financial statements (the "financial statements"):

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

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Independent auditors' report to the members of Dunard Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

Independent auditors' report to the members of Dunard Limited (continued)

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.

Katherine Stent (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
28 September 2017

Statement of Comprehensive Income for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	5	2,025,748	3,722,461
Cost of sales		(1,993,836)	(3,686,009)
Gross profit		31,912	36,452
Administrative expenses		(18,002)	(18,400)
Operating profit	6	13,910	18,052
Interest receivable and similar income	8	1,670	1,183
Interest payable and similar expenses	8	(2,332)	(3,256)
Profit before taxation		13,248	15,979
Tax on profit	9	(834)	500
Profit for the financial year		12,414	16,479
Total comprehensive income for the financial year		12,414	16,479

Balance sheet as at 31 December 2016

	Note	2016 £	2015 £
Current assets			
Debtors	10	1,351,438	1,205,208
Cash at bank and in hand		428,469	382,648
		1,779,907	1,587,856
Creditors – amounts falling due within one year	11	(1,722,928)	(1,543,290)
Net current assets		56,979	44,565
Net assets		56,979	44,565
Capital and reserves			
Called-up share capital	13	99	99
Retained earnings		56,880	44,466
Total equity		56,979	44,565

The notes on pages 11 to 21 are an integral part of these financial statements.

The financial statements on pages 7 to 21 were approved by the board of directors on 28th September 2017 and were signed on its behalf by:



W S Woof
Director

Dunard Limited
Registered number: SC096222

Statement of changes in equity for the year ended 31 December 2016

	Called-up share capital	Retained Earnings	Total equity
	£	£	£
Balance as at 1 January 2015	99	27,987	28,086
Profit for the year	-	16,479	16,479
Total comprehensive income for the year	-	16,479	16,479
Balance as at 31 December 2015	99	44,466	44,565
Balance as at 1 January 2016	99	44,466	44,565
Profit for the year	-	12,414	12,414
Total comprehensive income for the year	-	12,414	12,414
Balance as at 31 December 2016	99	56,880	56,979

Statement of cash flows for the year ended 31 December 2016

	Note	2016 £	2015 £
Net cash from operating activities	17	46,483	371,286
Taxation paid		-	11,780
Net cash used in / generated from operating activities		46,483	383,066
Cash flow from investing activities:			
Interest received		1,670	1,183
Net cash from investing activities		1,670	1,183
Cash flow from financing activities			
Interest paid		(2,332)	(3,256)
Net cash from financing activities		(2,332)	(3,256)
Net increase in cash at bank and in hand		45,821	380,993
Cash and cash equivalents at the beginning of the year		382,648	1,655
Cash and cash equivalents at the end of the year		428,469	382,648
Cash and cash equivalents consists of:			
Cash at bank and in hand		428,469	382,648
Cash and cash equivalents		428,469	382,648

Notes to the financial statements for the year ended 31 December 2016

1 General Information

Dunard Limited is a provider of senior management resource and management services.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 4 Royal Terrace, Edinburgh, EH7 5AB.

2 Statement of compliance

The individual financial statements of Dunard Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Going concern

These financial statements are prepared on a going concern basis as, due to the nature of the business and its relationships with its customers, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Turnover, accrued and deferred income

Turnover, which excludes value added taxes, represents the amount receivable for management services provided and is recognised as the services are performed. Turnover is measured at the fair value of the consideration received or receivable. Differences between amounts receivable and income recognised are included within accrued or deferred income.

Notes to the financial statements for the year ended 31 December 2016 (continued)

3 Summary of significant accounting policies (continued)

Foreign currency translation

(i) Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to cash at bank and in hand are presented in the statement of comprehensive income within interest payable or receivable.

Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Pension costs

a. Defined contribution pension plans

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 when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered fund.

b. Multi-employer pension plan

Retirement benefits for certain employees are provided by defined benefit schemes operated by other companies. In that case the company is a member of a multi-employer plan. Where it is not possible for the company to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Where the plan is in deficit the company has not agreed, with the plan, to participate in a deficit funding arrangement, all deficit is covered by other companies – participants of the pension plan. Therefore the company doesn't recognise a liability for this obligation.

Notes to the financial statements for the year ended 31 December 2016 (continued)

3 Summary of significant accounting policies (continued)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These 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 recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Operating lease

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Expenditure on operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within creditors in current liabilities.

Notes to the financial statements for the year ended 31 December 2016 (continued)

3 Summary of significant accounting policies (continued)

Called-up share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, loans from other companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables and debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Accounts payable and loans are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Notes to the financial statements for the year ended 31 December 2016 (continued)

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

4 Critical accounting estimates and assumptions

Critical judgements and estimates in applying the accounting policies

In the application of the Company's accounting policies which are described in note 3, the directors are required to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Critical judgements in applying the entity's accounting policies

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other companies in the region. In the judgment of the directors, the company does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 15 for further details.

Impairment of trade receivables

The company makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

Notes to the financial statements for the year ended 31 December 2016 (continued)

5 Turnover

Turnover is derived from the company's only principal activity which principally arose in the UK. Turnover is derived from one class of business which was the provision of payroll services.

6 Operating profit

	2016 £	2015 £
Operating profit is stated after charging		
Wages and salaries	1,595,941	2,763,507
Social security costs	137,072	364,781
Other pension costs (Note 15)	47,219	265,417
Staff costs	1,780,232	3,393,705
Operating lease charges:		
- plant and machinery	8,557	8,721
- others	68,679	62,295
Services provided by the company's auditors:		
- fees payable for the audit of the financial statements	14,500	24,270
- fees payable for other services: Tax compliance	10,000	3,000

7 Employees and directors

Employees

The average number of persons by month (including executive directors) employed by the company during the year was 15 (2015: 10). All employees were engaged in the provision of management services.

Directors' emoluments

	2016 £	2015 £
Aggregate emoluments	565,007	527,800

In the year to 31 December 2016 the highest paid director received aggregate emoluments of £488,684 (2015: £427,800).

There are no post-employment benefits accruing to directors (2015: none) under a defined benefit pension scheme. No directors (2015: none) were members of defined contribution schemes.

Notes to the financial statements for the year ended 31 December 2016 (continued)

7 Employees and directors (continued)

Key management compensation

All employees considered to be key management are directors of the company.

8 Net Interest expense

	2016 £	2015 £
Bank interest received	1,670	1,183
Bank overdraft interest charged	(2,332)	(3,256)
Net interest expense	(662)	(2,073)

9 Tax on profit

	2016 £	2015 £
Current tax:		
UK corporation tax on profits of the year	1,590	4,542
Adjustments in respect of prior years	(756)	(5,042)
Total current tax	834	(500)
Total deferred tax (note 12)	-	-
Tax on profit	834	(500)

Reconciliation of tax charge

Tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2016 of 20% (2015: 20.25%). The differences are explained below:

	2016 £'000	2015 £'000
Profit before taxation	13,248	15,979
Profit before taxation multiplied by the standard rate of tax in the UK of 20% (2015 20.25%)	2,650	3,235
Effects of:		
Expenses not deductible for tax purposes	(1,060)	1,307
Adjustments in respect of prior years	(756)	(5,042)
Tax charge/(credit) for the year	834	(500)

Notes to the financial statements for the year ended 31 December 2016 (continued)

9 Tax on profit (continued)

Tax rate changes

The standard rate of corporation tax for the period was 20%. Accordingly, the company's profits for this accounting period are taxed at this rate.

Changes in the UK corporation tax rate were substantively enacted as part of Finance Act 2016 on 6 September 2016. This includes a reduction to the main rate of corporation tax from 19% to 17% from 1 April 2020. Deferred tax at the 31 December 2016 balance sheet date has been measured to reflect the latest enacted rates.

10 Debtors

	2016 £	2015 £
Trade debtors	968,590	328,359
Corporation tax	324	1,158
Prepayments and accrued income	382,524	875,691
	1,351,438	1,205,208

Trade debtors are stated after provisions for impairment of £nil (2015: £nil).

11 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	3,688	135,930
Loan	400,000	400,000
Taxation and social security	182,052	48,475
Accruals and deferred income	1,137,188	958,885
	1,722,928	1,543,290

The loan is unsecured, repayable on demand and is non-interest bearing.

Notes to the financial statements for the year ended 31 December 2016 (continued)

12 Deferred tax asset

The total potential deferred tax asset, which has not been recognised in the financial statements on the basis that the directors do not believe it will be realised within the foreseeable future is analysed below.

The provision for deferred tax consists of the following deferred tax assets:

	2016 £	2015 £
At 1 January	-	(133)
Accelerated capital allowances and other timing differences	-	8
Adjustment in respect of change in tax rate	-	130
At 31 December	-	-

13 Called up share capital

	2016 £	2015 £
Authorised		
100 ordinary shares of £1 each (2015: 100 ordinary shares)	100	0
Allotted and fully paid		
99 ordinary shares of £1 each (2015: 99 ordinary shares)	99	9

14 Financial commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016 £	2015 £
Payments due		
In more than one year, but not more than five years	8,300	18,000

Notes to the financial statements for the year ended 31 December 2016 (continued)

15 Pension commitments

Retirement benefits for the company's employees are provided by pension schemes operated by other companies, the principal ones of which are the defined benefit schemes of Edmundson Electrical Limited and Amari Plastics Plc. More detailed descriptions of each of these schemes are given in the latest financial statements of each of the above companies, available from the Registrar of Companies, Companies House, Cardiff, CF4 3UZ.

The assets of the schemes are held separately under trust from those of each company. Since more than one employer participates in the above schemes, it is not possible to identify the share of underlying assets and liabilities in the funds relating to the individual participating employer. As such, the company treats its liabilities to the funds as if the schemes were defined contribution schemes. The cost to the company in respect of the schemes is therefore equal to the actual contributions payable to the schemes during the year, and this cost has been recognised within operating profit in the profit and loss account.

The pension charge for the year for Dunard Limited employees in respect of the schemes, all of which was recharged, amounted to £47,219 (2015: £265,417).

The company is not liable to the plan for other entities obligations or for covering a deficit relating to past service. Therefore no liability was recognised with regards to that obligation in these financial statements.

16 Financial instruments

The company has the following financial instruments:

	2016 £	2015 £
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	968,590	328,359
	968,590	328,359
Financial Liabilities measured at amortised cost		
Trade creditors	3,688	135,930
Loan	400,000	400,000
	403,688	535,930

17 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2016 £	2015 £
Profit for the financial year	12,414	16,479
Tax on profit	834	(500)
Net interest expense	662	2,073
Operating profit	13,910	18,052
(Increase) / decrease in debtors	(147,064)	9,720,992
(Increase) / decrease in creditors	179,637	(9,367,758)
Net cash inflow from operating activities	46,483	371,286

**Notes to the financial statements for the year ended
31 December 2016 (continued)**

18 Ultimate controlling party

In the opinion of the directors there is no ultimate controlling party. 33 Ordinary shares (33%) are held by Mr K W Colburn, 33 (33%) ordinary shares are held by Mr R W Colburn and 33 (33%) ordinary shares are held by C C Grigor.

19 Related party transactions

See note 7 for disclosure of the directors' remuneration and key management compensation.