

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 April 2018
for
Central Demolition Limited

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for the Year Ended 30 April 2018

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Central Demolition Limited

Company Information
for the Year Ended 30 April 2018

DIRECTORS:

Mr R J Craig
Mr C A Peat

SECRETARY:

Mrs Y Rowland

REGISTERED OFFICE:

Central House
Chattan Industrial Estate
Bonnyside Road
Bonnybridge
FK4 2AG

REGISTERED NUMBER:

SC172244 (Scotland)

AUDITORS:

Graham & Co. (Accountants) Limited
Statutory Auditors
Chartered Accountants
76 Dumbarton Road
Clydebank
Glasgow
G81 1UG

Strategic Report
for the Year Ended 30 April 2018

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

REVIEW OF BUSINESS

The company has continued to invest in the latest demolition plant and equipment available in the marketplace to keep the company at the forefront of the demolition industry

The directors are satisfied with turnover levels, although down by 9% in the current year, having experienced significant growth in recent years.

The gross profit margin, after accounting for the recovery of management charges from a group company, has reduced to 20% from 22% . As overheads have remained broadly unchanged the consequence of the reduction in both turnover and gross margin has led to a reduced but satisfactory pre tax net profit of £518,224 from £1,247,289.

PRINCIPAL RISKS AND UNCERTAINTIES

As in the wider construction industry the demolition market continues to be challenging and unpredictable. However the directors are confident that the company is well placed to deal with such conditions and also to benefit from improving market conditions.

FUTURE OUTLOOK

The directors are optimistic about future prospects for the industry and believe that the company is well placed to take advantage of any improvement in market conditions. The company is continually maintaining links with its valued existing client base and is looking to increase turnover in its core business market of demolition, asbestos removal and recycling as and when market conditions allow.

ON BEHALF OF THE BOARD:

Mr R J Craig - Director

14 January 2019

Report of the Directors
for the Year Ended 30 April 2018

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

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2018.

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies which have resulted in the company's growth in recent years.

DIRECTORS

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

Mr R J Craig
Mr C A Peat

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.

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.

AUDITORS

The auditors, Graham & Co. (Accountants) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr R J Craig - Director

14 January 2019

Opinion

We have audited the financial statements of Central Demolition Limited (the 'company') for the year ended 30 April 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 April 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.

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.

Stuart Girvan (Senior Statutory Auditor)
for and on behalf of Graham & Co. (Accountants) Limited
Statutory Auditors
Chartered Accountants
76 Dumbarton Road
Clydebank
Glasgow
G81 1UG

14 January 2019

Income Statement
for the Year Ended 30 April 2018

	Notes	30.4.18 £	30.4.17 £
TURNOVER		14,103,974	15,622,146
Cost of sales		<u>13,645,987</u>	<u>14,379,695</u>
GROSS PROFIT		457,987	1,242,451
Administrative expenses		<u>2,264,821</u> (1,806,834)	<u>2,246,853</u> (1,004,402)
Other operating income		<u>2,380,000</u>	<u>2,350,000</u>
OPERATING PROFIT	4	573,166	1,345,598
Interest receivable and similar income		<u>119</u> 573,285	<u>265</u> 1,345,863
Interest payable and similar expenses	5	<u>55,061</u>	<u>98,574</u>
PROFIT BEFORE TAXATION		518,224	1,247,289
Tax on profit	6	<u>104,846</u>	<u>259,333</u>
PROFIT FOR THE FINANCIAL YEAR		<u>413,378</u>	<u>987,956</u>

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 30 April 2018

	Notes	30.4.18 £	30.4.17 £
PROFIT FOR THE YEAR		413,378	987,956
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		<u>413,378</u>	<u>987,956</u>

Balance Sheet
30 April 2018

	Notes	30.4.18 £	£	30.4.17 £	£
FIXED ASSETS					
Tangible assets	7		5,236,443		5,062,024
CURRENT ASSETS					
Debtors	8	6,207,571		5,517,769	
Cash at bank		<u>346,883</u>		<u>355,831</u>	
		6,554,454		5,873,600	
CREDITORS					
Amounts falling due within one year	9	<u>3,396,992</u>		<u>3,212,985</u>	
NET CURRENT ASSETS			<u>3,157,462</u>		<u>2,660,615</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			8,393,905		7,722,639
CREDITORS					
Amounts falling due after more than one year	10		(755,977)		(498,089)
PROVISIONS FOR LIABILITIES	13		<u>(65,000)</u>		<u>(65,000)</u>
NET ASSETS			<u><u>7,572,928</u></u>		<u><u>7,159,550</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		50,000		50,000
Retained earnings	15		<u>7,522,928</u>		<u>7,109,550</u>
SHAREHOLDERS' FUNDS			<u><u>7,572,928</u></u>		<u><u>7,159,550</u></u>

The financial statements were approved by the Board of Directors on 14 January 2019 and were signed on its behalf by:

Mr R J Craig - Director

Statement of Changes in Equity
for the Year Ended 30 April 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2016	50,000	6,121,594	6,171,594
Changes in equity			
Total comprehensive income	-	987,956	987,956
Balance at 30 April 2017	50,000	7,109,550	7,159,550
Changes in equity			
Total comprehensive income	-	413,378	413,378
Balance at 30 April 2018	50,000	7,522,928	7,572,928

Cash Flow Statement
for the Year Ended 30 April 2018

	Notes	30.4.18 £	30.4.17 £
Cash flows from operating activities			
Cash generated from operations	1	1,665,755	2,796,858
Interest element of hire purchase payments paid		(55,061)	(98,574)
Tax paid		(304,939)	(59,703)
Net cash from operating activities		<u>1,305,755</u>	<u>2,638,581</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(431,076)	(714,416)
Sale of tangible fixed assets		445,958	15,166
Interest received		119	265
Net cash from investing activities		<u>15,001</u>	<u>(698,985)</u>
Cash flows from financing activities			
Capital repayments in year		(1,030,494)	(1,043,867)
Amount introduced by directors	1		2
Amount withdrawn by directors		(8,178)	(51,077)
Funds transferred to/(from) Group		(291,033)	(505,000)
Net cash from financing activities		<u>(1,329,704)</u>	<u>(1,599,942)</u>
(Decrease)/increase in cash and cash equivalents		<u>(8,948)</u>	<u>339,654</u>
Cash and cash equivalents at beginning of year	2	355,831	16,177
Cash and cash equivalents at end of year	2	<u><u>346,883</u></u>	<u><u>355,831</u></u>

The notes form part of these financial statements

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

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

	30.4.18	30.4.17
	£	£
Profit before taxation	518,224	1,247,289
Depreciation charges	1,293,312	1,307,550
Profit on disposal of fixed assets	(207,607)	(14,025)
Finance costs	55,061	98,574
Finance income	(119)	(265)
	<u>1,658,871</u>	<u>2,639,123</u>
(Increase)/decrease in trade and other debtors	(398,768)	578,575
Increase/(decrease) in trade and other creditors	<u>405,652</u>	<u>(420,840)</u>
Cash generated from operations	<u><u>1,665,755</u></u>	<u><u>2,796,858</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 April 2018

	30.4.18	1.5.17
	£	£
Cash and cash equivalents	<u>346,883</u>	<u>355,831</u>

Year ended 30 April 2017

	30.4.17	1.5.16
	£	£
Cash and cash equivalents	355,831	470,000
Bank overdrafts	-	(453,823)
	<u>355,831</u>	<u>16,177</u>

Notes to the Financial Statements
for the Year Ended 30 April 2018

1. **STATUTORY INFORMATION**

Central Demolition Limited is a private company, limited by shares, registered in Scotland. 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.

The company transitioned to FRS 102 on 1 May 2014. The impact of this transition is on the disclosure in the financial statements, there was no impact or change to the company's policies or reported financial position.

The financial statements are presented in Sterling (£).

Turnover

Turnover represents net invoiced sales and work completed on long term contracts, excluding value added tax.

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.

Freehold property	- not provided on land
Improvements to property	- Over expected lease term
Plant and machinery	- 25% on reducing balance and 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

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.

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

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 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.

Long term contracts

The contracts undertaken by the company are deemed to be of a long term nature. Long term contract work in progress shown at net cost after deducting foreseeable losses and payments on account. Turnover on long term contracts is determined on the basis of certified valuations representing measured work on contracts. Operating profit includes attributable profit on long term contracts complete and amounts recoverable on contracts incomplete, the latter also being included under debtors due within one year.

3. EMPLOYEES AND DIRECTORS

	30.4.18	30.4.17
	£	£
Wages and salaries	6,244,121	5,860,303
Social security costs	657,028	615,954
Other pension costs	81,749	69,879
	<u>6,982,898</u>	<u>6,546,136</u>

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

	30.4.18	30.4.17
Administration	24	23
Demolition	158	166
	<u>182</u>	<u>189</u>

	30.4.18	30.4.17
	£	£
Directors' remuneration	419,546	443,088
Directors' pension contributions to money purchase schemes	<u>6,455</u>	<u>-</u>

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

	2	2
Money purchase schemes	<u>2</u>	<u>2</u>

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

3. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	30.4.18	30.4.17
	£	£
Emoluments etc	219,546	293,368
Pension contributions to money purchase schemes	<u>3,455</u>	<u>-</u>

4. OPERATING PROFIT

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

	30.4.18	30.4.17
	£	£
Hire of plant and machinery	527,339	419,087
Other operating leases	22,538	21,174
Depreciation - owned assets	873,690	715,914
Depreciation - assets on hire purchase contracts	419,623	591,637
Profit on disposal of fixed assets	(207,607)	(14,025)
Auditors' remuneration	8,100	8,092
Auditors' remuneration for non audit work	<u>8,460</u>	<u>8,460</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.4.18	30.4.17
	£	£
Hire purchase	<u>55,061</u>	<u>98,574</u>

6. TAXATION

Analysis of the tax charge

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

	30.4.18	30.4.17
	£	£
Current tax:		
UK corporation tax	104,846	304,333
Deferred tax	-	(45,000)
Tax on profit	<u>104,846</u>	<u>259,333</u>

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

6. **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:

	30.4.18 £	30.4.17 £
Profit before tax	518,224	1,247,289
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	98,463	249,458
Effects of:		
Expenses not deductible for tax purposes	2,178	2,140
Depreciation in excess of capital allowances	4,205	52,735
Deferred tax provision	-	(45,000)
Total tax charge	104,846	259,333

7. **TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 May 2017	283,900	836,985	10,886,283
Additions	-	-	1,093,578
Disposals	-	-	(1,367,474)
At 30 April 2018	283,900	836,985	10,612,387
DEPRECIATION			
At 1 May 2017	-	346,805	7,939,146
Charge for year	-	49,018	833,513
Eliminated on disposal	-	-	(1,252,345)
At 30 April 2018	-	395,823	7,520,314
NET BOOK VALUE			
At 30 April 2018	283,900	441,162	3,092,073
At 30 April 2017	283,900	490,180	2,947,137

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

7. **TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2017	4,387,824	319,999	16,714,991
Additions	604,559	7,946	1,706,083
Disposals	(601,307)	-	(1,968,781)
At 30 April 2018	4,391,076	327,945	16,452,293
DEPRECIATION			
At 1 May 2017	3,116,762	250,254	11,652,967
Charge for year	391,390	19,392	1,293,313
Eliminated on disposal	(478,085)	-	(1,730,430)
At 30 April 2018	3,030,067	269,646	11,215,850
NET BOOK VALUE			
At 30 April 2018	1,361,009	58,299	5,236,443
At 30 April 2017	1,271,062	69,745	5,062,024

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

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 May 2017	2,576,926	822,856	3,399,782
Additions	896,410	591,559	1,487,969
Transfer to ownership	(1,657,726)	(367,050)	(2,024,776)
At 30 April 2018	1,815,610	1,047,365	2,862,975
DEPRECIATION			
At 1 May 2017	972,050	259,661	1,231,711
Charge for year	268,745	150,878	419,623
Transfer to ownership	(798,209)	(111,808)	(910,017)
At 30 April 2018	442,586	298,731	741,317
NET BOOK VALUE			
At 30 April 2018	1,373,024	748,634	2,121,658
At 30 April 2017	1,604,876	563,195	2,168,071

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

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

	30.4.18	30.4.17
	£	£
Trade debtors	671,890	1,164,909
Amounts owed by group undertakings	925,871	634,838
Amounts recoverable on contract	2,083,000	1,789,000
Other debtors	185,970	153,486
Chieftain Contracts Limited	47,923	45,103
Broomside Developments	826,233	572,972
Clydeside Property Services Limited	1,331,493	1,082,428
Prepayments and accrued income	135,191	75,033
	<u>6,207,571</u>	<u>5,517,769</u>

9. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.4.18	30.4.17
	£	£
Hire purchase contracts (see note 11)	796,859	810,234
Trade creditors	1,401,655	666,872
Tax	103,740	303,833
Social security and other taxes	229,297	195,061
VAT	318,498	498,362
Other creditors	167,847	410,839
Directors' current accounts	6,193	14,370
Accrued expenses	372,903	313,414
	<u>3,396,992</u>	<u>3,212,985</u>

10. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30.4.18	30.4.17
	£	£
Hire purchase contracts (see note 11)	<u>755,977</u>	<u>498,089</u>

11. **LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	30.4.18	30.4.17
	£	£
Net obligations repayable:		
Within one year	796,859	810,234
Between one and five years	<u>755,977</u>	<u>498,089</u>
	<u>1,552,836</u>	<u>1,308,323</u>

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

12. **SECURED DEBTS**

The following secured debts are included within creditors:

	30.4.18	30.4.17
	£	£
Hire purchase contracts	<u>1,552,836</u>	<u>1,308,323</u>

Bank borrowings are secured by way of a bond and floating charge over the assets of the company.

An unlimited inter company guarantee also exists in favour of Central Recycling Limited.

13. **PROVISIONS FOR LIABILITIES**

	30.4.18	30.4.17
	£	£
Deferred tax	<u>65,000</u>	<u>65,000</u>
		Deferred tax
		£
Balance at 1 May 2017		65,000
Charged to the Profit & Loss		
Balance at 30 April 2018		<u>65,000</u>

14. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.4.18	30.4.17
			£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

15. **RESERVES**

	Retained earnings
	£
At 1 May 2017	7,109,550
Profit for the year	413,378
At 30 April 2018	<u>7,522,928</u>

16. **PENSION COMMITMENTS**

The company operates a defined contribution pension scheme for the director and it's senior staff. The contributions paid into the scheme during the year amounted to £81,749 (2017 - £69,879).

17. **ULTIMATE PARENT COMPANY**

Central Group Holdings Limited is regarded by the directors as being the company's ultimate parent company.

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

18. CONTINGENT LIABILITIES

An unlimited inter company guarantee exists in favour of Central Recycling Limited.

On 27 October 2015 the company granted a guarantee in favour of Clydeside Property Services Ltd to a limit of £2,114,000; supported by a bond and floating charge.

19. RELATED PARTY DISCLOSURES

Other operating income includes £2,200,000 for the provision of management services to Central Recycling Ltd and £180,000 for management services to Central Demolition (Recycling) Ltd.

Included within other debtors / (other creditors) are:

	£	£
Chieftain Contracts Limited (a company controlled by the directors)	47,923	45,103
Central Demolition Recycling Limited (a company controlled by a director))	-	(149,395)
Broomside Property Developments (an entity in which the directors are partners)	826,233	572,972
Clydeside Property Services Limited (a company controlled by the directors)	1,331,493	1,082,427
Central Recycling Ltd (a company controlled by the directors)	925,871	634,838

During the year a rental of £15,000 was charged by Ross J Craig, a director of the company, for use of land.

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr R J Craig.

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