

**REGISTERED NUMBER: 06550655 (England and Wales)**

**WALTET LIMITED**  
**GROUP STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2017**

Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandler's Ford  
Eastleigh  
Hampshire  
SO53 4AR

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017**

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|   | <b>Page</b> |
|---|-------------|
| <b>Company Information</b>                            | 1           |
| <b>Group Strategic Report</b>                         | 2           |
| <b>Report of the Directors</b>                        | 3           |
| <b>Report of the Independent Auditors</b>             | 4           |
| <b>Consolidated Income Statement</b>                  | 6           |
| <b>Consolidated Other Comprehensive Income</b>        | 7           |
| <b>Consolidated Balance Sheet</b>                     | 8           |
| <b>Company Balance Sheet</b>                          | 9           |
| <b>Consolidated Statement of Changes in Equity</b>    | 10          |
| <b>Company Statement of Changes in Equity</b>         | 11          |
| <b>Consolidated Cash Flow Statement</b>               | 12          |
| <b>Notes to the Consolidated Cash Flow Statement</b>  | 13          |
| <b>Notes to the Consolidated Financial Statements</b> | 14          |

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**WALTET LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 JULY 2017**

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**DIRECTORS:** M R Howard  
D B Newbold

**REGISTERED OFFICE:** Unit 4  
Andes Road  
Nursling Industrial Estate  
Southampton  
Hampshire  
SO16 0YZ

**REGISTERED NUMBER:** 06550655 (England and Wales)

**SENIOR STATUTORY AUDITOR:** David Brookes FCCA

**AUDITORS:** Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandler's Ford  
Eastleigh  
Hampshire  
SO53 4AR

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JULY 2017**

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The directors present their strategic report of the company and the group for the year ended 31 July 2017.

**REVIEW OF BUSINESS**

The principal activity of the group is that of road haulage, aggregate sales, and contracting.

**Development and performance of the Group**

The results for the group show turnover of £10.3m (2016: £9.9m) and a profit before taxation of £0.9m (2016: £0.9m) for the year.

The group has net assets of £2.6m (2016: £2.4m).

**Future Outlook**

The directors are confident that having made considerable investment in the previous three years, the group will consolidate its position in the coming year.

**Principal Risks and Uncertainties**

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are those associated with the general economy as a whole. The group has been pro-active in recognising these risks and streamlining its cost base.

**Key Performance Indicators**

The company consider the main key performance indicator to be gross profit margin, which was 30.4% in the current year (2016: 30.4%).

**ON BEHALF OF THE BOARD:**

M R Howard - Director

13 November 2017

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 JULY 2017**

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The directors present their report with the financial statements of the company and the group for the year ended 31 July 2017.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 July 2017 will be £195,976 (2016: £252,200). The directors recommend that no final dividend be paid.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2016 to the date of this report.

M R Howard  
D B Newbold

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

M R Howard - Director

13 November 2017

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WALTET LIMITED

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### **Opinion**

We have audited the financial statements of Waltet Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2017 on pages six to twenty nine. 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 July 2017 and of the group's 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 group 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 group'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 Group 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 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, 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 Group 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 Group 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 WALTET LIMITED

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Our 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

David Brookes FCCA (Senior Statutory Auditor)  
for and on behalf of Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandler's Ford  
Eastleigh  
Hampshire  
SO53 4AR

20 November 2017

**CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 JULY 2017**

|  | Notes | 2017<br>£          | 2016<br>£          |
|--|-------|--------------------|--------------------|
| <b>TURNOVER</b>                        |       | <b>10,260,829</b>  | 9,895,021          |
| Cost of sales                          |       | <u>(7,136,912)</u> | <u>(6,884,520)</u> |
| <b>GROSS PROFIT</b>                    |       | <b>3,123,917</b>   | 3,010,501          |
| Administrative expenses                |       | <u>(2,341,950)</u> | <u>(2,234,601)</u> |
|  |       | 781,967            | 775,900            |
| Other operating income                 |       | <u>172,383</u>     | 245,407            |
| <b>OPERATING PROFIT</b>                | 4     | <b>954,350</b>     | 1,021,307          |
| Interest receivable and similar income |       | <u>32</u>          | 8                  |
|  |       | 954,382            | 1,021,315          |
| Interest payable and similar expenses  | 5     | <u>(85,997)</u>    | <u>(78,682)</u>    |
| <b>PROFIT BEFORE TAXATION</b>          |       | <b>868,385</b>     | 942,633            |
| Tax on profit                          | 6     | <u>(188,524)</u>   | <u>(210,561)</u>   |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>   |       | <b>679,861</b>     | 732,072            |
| Profit attributable to:                |       |                    |                    |
| Owners of the parent                   |       | 679,861            | 826,629            |
| Non-controlling interests              |       | -                  | (94,557)           |
|  |       | <u>679,861</u>     | <u>732,072</u>     |

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2017**

|   | Notes | 2017<br>£             | 2016<br>£             |
|---|-------|-----------------------|-----------------------|
| <b>PROFIT FOR THE YEAR</b>  |       | <b>679,861</b>        | <b>732,072</b>        |
| <b>OTHER COMPREHENSIVE INCOME</b>                                 |       |                       |                       |
| Purchase of own shares  |       | (140,000)             | -                     |
| Release of minority interest                                      |       | (1,121)               | -                     |
| Income tax relating to components of other comprehensive income   |       | -                     | -                     |
| <b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b> |       | <b>(141,121)</b>      | <b>-</b>              |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                    |       | <b><u>538,740</u></b> | <b><u>732,072</u></b> |
| Total comprehensive income attributable to:                       |       |                       |                       |
| Owners of the parent  |       | 642,619               | 812,702               |
| Non-controlling interests   |       | <u>(103,879)</u>      | <u>(80,630)</u>       |
|   |       | <b><u>538,740</u></b> | <b><u>732,072</u></b> |

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET**  
**31 JULY 2017**

|  | Notes | 2017<br>£        | 2016<br>£        |
|--|-------|------------------|------------------|
| <b>FIXED ASSETS</b>                          |       |                  |                  |
| Intangible assets                            | 9     | 530,533          | 605,064          |
| Tangible assets                              | 10    | 4,690,340        | 4,546,320        |
| Investments                                  | 11    | -                | -                |
|  |       | <u>5,220,873</u> | <u>5,151,384</u> |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |
| Stocks                                       | 12    | 6,000            | 6,000            |
| Debtors                                      | 13    | 2,457,833        | 2,591,993        |
| Cash at bank and in hand                     |       | 624,952          | 400,378          |
|  |       | <u>3,088,785</u> | <u>2,998,371</u> |
| <b>CREDITORS</b>                             |       |                  |                  |
| Amounts falling due within one year          | 14    | (3,372,789)      | (3,603,211)      |
| <b>NET CURRENT LIABILITIES</b>               |       | <u>(284,004)</u> | <u>(604,840)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <b>4,936,869</b> | <b>4,546,544</b> |
| <b>CREDITORS</b>                             |       |                  |                  |
| Amounts falling due after more than one year | 15    | (2,076,149)      | (1,921,835)      |
| <b>PROVISIONS FOR LIABILITIES</b>            | 19    | <u>(226,815)</u> | <u>(229,689)</u> |
| <b>NET ASSETS</b>                            |       | <u>2,633,905</u> | <u>2,395,020</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                  |
| Called up share capital                      | 20    | 200              | 200              |
| Retained earnings                            | 21    | 2,633,705        | 2,290,941        |
| <b>SHAREHOLDERS' FUNDS</b>                   |       | <u>2,633,905</u> | <u>2,291,141</u> |
| <b>NON-CONTROLLING INTERESTS</b>             | 22    | -                | 103,879          |
| <b>TOTAL EQUITY</b>                          |       | <u>2,633,905</u> | <u>2,395,020</u> |

The financial statements were approved by the Board of Directors on 13 November 2017 and were signed on its behalf by:

M R Howard - Director

**COMPANY BALANCE SHEET**  
**31 JULY 2017**

|  | Notes | 2017<br>£          | 2016<br>£          |
|--|-------|--------------------|--------------------|
| <b>FIXED ASSETS</b>                          |       |                    |                    |
| Intangible assets                            | 9     | -                  | -                  |
| Tangible assets                              | 10    | 2,354,540          | 2,402,592          |
| Investments                                  | 11    | 1,505,958          | 1,400,958          |
|  |       | <u>3,860,498</u>   | <u>3,803,550</u>   |
| <b>CURRENT ASSETS</b>                        |       |                    |                    |
| Debtors                                      | 13    | 9,120              | -                  |
| Cash at bank and in hand                     |       | 24,797             | 100                |
|  |       | <u>33,917</u>      | <u>100</u>         |
| <b>CREDITORS</b>                             |       |                    |                    |
| Amounts falling due within one year          | 14    | (2,895,271)        | (2,724,932)        |
| <b>NET CURRENT LIABILITIES</b>               |       | <u>(2,861,354)</u> | <u>(2,724,832)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <b>999,144</b>     | <b>1,078,718</b>   |
| <b>CREDITORS</b>                             |       |                    |                    |
| Amounts falling due after more than one year | 15    | (354,634)          | (453,499)          |
| <b>NET ASSETS</b>                            |       | <u>644,510</u>     | <u>625,219</u>     |
| <b>CAPITAL AND RESERVES</b>                  |       |                    |                    |
| Called up share capital                      | 20    | 200                | 200                |
| Retained earnings                            | 21    | 644,310            | 625,019            |
| <b>SHAREHOLDERS' FUNDS</b>                   |       | <u>644,510</u>     | <u>625,219</u>     |
| Company's profit for the financial year      |       | <u>190,691</u>     | <u>825,019</u>     |

The financial statements were approved by the Board of Directors on 13 November 2017 and were signed on its behalf by:

M R Howard - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2017**

|                                 | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Total<br>£ | Non-controlling<br>interests<br>£ | Total<br>equity<br>£ |
|---------------------------------|------------------------------------|---------------------------|------------|-----------------------------------|----------------------|
| <b>Balance at 1 August 2015</b> | 200                                | 1,716,512                 | 1,716,712  | 184,509                           | 1,901,221            |
| <b>Changes in equity</b>        |                                    |                           |            |                                   |                      |
| Dividends                       | -                                  | (252,200)                 | (252,200)  | -                                 | (252,200)            |
| Total comprehensive income      | -                                  | 826,629                   | 826,629    | (80,630)                          | 745,999              |
| <b>Balance at 31 July 2016</b>  | 200                                | 2,290,941                 | 2,291,141  | 103,879                           | 2,395,020            |
| <b>Changes in equity</b>        |                                    |                           |            |                                   |                      |
| Dividends                       | -                                  | (195,976)                 | (195,976)  | -                                 | (195,976)            |
| Total comprehensive income      | -                                  | 538,740                   | 538,740    | (103,879)                         | 434,861              |
| <b>Balance at 31 July 2017</b>  | 200                                | 2,633,705                 | 2,633,905  | -                                 | 2,633,905            |

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2017

|                                | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Total<br>equity<br>£ |
|--------------------------------|------------------------------------|---------------------------|----------------------|
| <b>Changes in equity</b>       |                                    |                           |                      |
| Issue of share capital         | 200                                | -                         | 200                  |
| Dividends                      | -                                  | (200,000)                 | (200,000)            |
| Total comprehensive income     | -                                  | 825,019                   | 825,019              |
| <b>Balance at 31 July 2016</b> | <b>200</b>                         | <b>625,019</b>            | <b>625,219</b>       |
| <b>Changes in equity</b>       |                                    |                           |                      |
| Dividends                      | -                                  | (171,400)                 | (171,400)            |
| Total comprehensive income     | -                                  | 190,691                   | 190,691              |
| <b>Balance at 31 July 2017</b> | <b>200</b>                         | <b>644,310</b>            | <b>644,510</b>       |

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2017**

|   | Notes | 2017<br>£        | 2016<br>£        |
|---|-------|------------------|------------------|
| <b>Cash flows from operating activities</b>             |       |                  |                  |
| Cash generated from operations                          | 1     | 1,250,695        | 770,848          |
| Interest paid   |       | (17,969)         | (23,062)         |
| Interest element of hire purchase payments paid         |       | (68,028)         | (55,620)         |
| Tax paid  |       | (176,440)        | (184,191)        |
| Net cash from operating activities                      |       | <u>988,258</u>   | <u>507,975</u>   |
| <b>Cash flows from investing activities</b>             |       |                  |                  |
| Purchase of tangible fixed assets                       |       | (1,018,173)      | (271,805)        |
| Sale of tangible fixed assets                           |       | 408,056          | 255,825          |
| Acquisition of subsidiary                               |       | (105,000)        | (146,108)        |
| Purchase of own shares                                  |       | (140,000)        | -                |
| Interest received                                       |       | 32               | 8                |
| Net cash from investing activities                      |       | <u>(855,085)</u> | <u>(162,080)</u> |
| <b>Cash flows from financing activities</b>             |       |                  |                  |
| Net loan (repayments)/income                            |       | (139,750)        | (130,270)        |
| Net HP income/(repayments) in year                      |       | 427,127          | (438,932)        |
| Equity dividends paid                                   |       | (171,401)        | (200,000)        |
| Dividends paid to minority interests                    |       | (24,575)         | (52,200)         |
| Net cash from financing activities                      |       | <u>91,401</u>    | <u>(821,402)</u> |
| <b>Increase/(decrease) in cash and cash equivalents</b> |       | <u>224,574</u>   | <u>(475,507)</u> |
| <b>Cash and cash equivalents at beginning of year</b>   | 2     | <u>400,378</u>   | 875,885          |
| <b>Cash and cash equivalents at end of year</b>         | 2     | <u>624,952</u>   | <u>400,378</u>   |

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2017

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

|                                       | 2017                    | 2016                  |
|---------------------------------------|-------------------------|-----------------------|
|                                       | £                       | £                     |
| Profit before taxation                | 868,385                 | 942,633               |
| Depreciation charges                  | 720,075                 | 596,371               |
| Profit on disposal of fixed assets    | (179,450)               | (129,860)             |
| Finance costs                         | 85,997                  | 78,682                |
| Finance income                        | (32)                    | (8)                   |
|                                       | <u>1,494,975</u>        | <u>1,487,818</u>      |
| Decrease in trade and other debtors   | 134,163                 | 235,332               |
| Decrease in trade and other creditors | (378,443)               | (952,302)             |
| <b>Cash generated from operations</b> | <u><u>1,250,695</u></u> | <u><u>770,848</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 31 July 2017**

|                           | 31.7.17        | 1.8.16         |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| Cash and cash equivalents | <u>624,952</u> | <u>400,378</u> |

**Year ended 31 July 2016**

|                           | 31.7.16        | 1.8.15         |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| Cash and cash equivalents | <u>400,378</u> | <u>875,885</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017

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1. **STATUTORY INFORMATION**

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

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value.

The principle accounting policies adopted are set out below.

**Going concern**

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

**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.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**Turnover**

For goods, turnover represents sales of goods net of VAT and trade discounts. Turnover is recognised when the goods are physically dispatched to the customer.

Where services are supplied, turnover represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

**Goodwill**

Goodwill is being written off over its useful estimated life of 10 years.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

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2. ACCOUNTING POLICIES - continued

**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 or, if held under a finance lease, over the lease term, whichever is the shorter.

|                          |                            |
|--------------------------|----------------------------|
| Freehold property        | - 2% straight line         |
| Improvements to property | - 10 years straight line   |
| Plant and machinery      | - 15%/25% reducing balance |
| Fixtures and fittings    | - 25% reducing balance     |
| Motor vehicles           | - 25% reducing balance     |
| Computer equipment       | - 25% reducing balance     |

No depreciation is provided on Freehold land.

**Stocks**

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

Cost is determined using the weighted average cost method.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

## 2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

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

**Financial assets**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Basic financial assets, which include trade and other receivables and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

**Financial liabilities**

Basic financial liabilities, which include trade and other payables, are initially measured at transaction price and subsequently measured at amortised cost, 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.

**Equity instruments**

Equity instruments issued by the group are recorded at the fair value of the proceeds received net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

## 3. EMPLOYEES AND DIRECTORS

|                       | 2017             | 2016             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 3,099,182        | 2,932,095        |
| Social security costs | 17,616           | 17,284           |
| Other pension costs   | 80,000           | 148,244          |
|                       | <u>3,196,798</u> | <u>3,097,623</u> |

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

|                       | 2017       | 2016       |
|-----------------------|------------|------------|
| Office / Support      | 27         | 29         |
| Drivers / Contracting | 43         | 46         |
| Pickers               | 42         | 22         |
| Workshop              | 3          | 3          |
|                       | <u>115</u> | <u>100</u> |

The average number of employees by undertakings that were proportionately consolidated during the year was 12 .

|  | 2017          | 2016           |
|--|---------------|----------------|
|  | £             | £              |
| Directors' remuneration                                    | 176,133       | 177,131        |
| Directors' pension contributions to money purchase schemes | <u>80,000</u> | <u>148,244</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

## 3. EMPLOYEES AND DIRECTORS - continued

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

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

## 4. OPERATING PROFIT

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

|  | 2017          | 2016          |
|--|---------------|---------------|
|  | £             | £             |
| Hire of plant and machinery                      | 342,916       | 234,684       |
| Depreciation - owned assets                      | 245,390       | 138,916       |
| Depreciation - assets on hire purchase contracts | 400,157       | 383,021       |
| Profit on disposal of fixed assets               | (179,450)     | (129,860)     |
| Goodwill amortisation                            | 74,531        | 74,531        |
| Auditors' remuneration                           | 13,600        | 19,880        |
| Auditors' remuneration for non audit work        | <u>25,120</u> | <u>26,377</u> |

## 5. INTEREST PAYABLE AND SIMILAR EXPENSES

|                    | 2017          | 2016          |
|--------------------|---------------|---------------|
|                    | £             | £             |
| Bank loan interest | 15,601        | 19,295        |
| Loan interest      | 2,368         | 3,767         |
| Hire purchase      | <u>68,028</u> | <u>55,620</u> |
|                    | <u>85,997</u> | <u>78,682</u> |

## 6. TAXATION

**Analysis of the tax charge**

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

|                    | 2017           | 2016           |
|--------------------|----------------|----------------|
|                    | £              | £              |
| Current tax:       |                |                |
| UK corporation tax | 191,398        | 176,440        |
| Deferred tax       | <u>(2,874)</u> | <u>34,121</u>  |
| Tax on profit      | <u>188,524</u> | <u>210,561</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

## 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:

|  | 2017<br>£      | 2016<br>£      |
|--|----------------|----------------|
| Profit before tax  | <u>868,385</u> | <u>942,633</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 20%<br>(2016 - 20%) | 173,677        | 188,527        |
| Effects of:  |                |                |
| Expenses not deductible for tax purposes   | 2,546          | 3,836          |
| Depreciation in excess of capital allowances   | 957            | 5,470          |
| Utilisation of tax losses  | -              | (4,224)        |
| Depreciation on non-qualifying assets  | -              | 2,347          |
| Difference relating to amortisation of consolidated goodwill                               | 14,603         | 14,605         |
| Difference relating to variance in tax rates   | <u>(3,259)</u> | <u>-</u>       |
| Total tax charge   | <u>188,524</u> | <u>210,561</u> |

**Tax effects relating to effects of other comprehensive income**

|                              | Gross<br>£       | 2017<br>Tax<br>£ | Net<br>£         |
|------------------------------|------------------|------------------|------------------|
| Purchase of own shares       | (140,000)        | -                | (140,000)        |
| Release of minority interest | <u>(1,121)</u>   | <u>-</u>         | <u>(1,121)</u>   |
|                              | <u>(141,121)</u> | <u>-</u>         | <u>(141,121)</u> |

## 7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

## 8. DIVIDENDS

|   | 2017           | 2016           |
|---|----------------|----------------|
| £                      £                |                |                |
| Ordinary A shares of £1 each<br>Interim | 78,276         | 107,200        |
| Ordinary B shares of £1 each<br>Interim | 40,000         | 60,000         |
| Ordinary C shares of £1 each<br>Interim | 17,500         | 30,000         |
| Ordinary D shares of £1 each<br>Interim | 51,200         | 40,000         |
| Ordinary E shares of £1 each<br>Interim | 9,000          | 15,000         |
|   | <u>195,976</u> | <u>252,200</u> |

Dividends totalling £24,575 (2016: £52,200) were paid to the minority shareholders of Hutchings & Carter Limited, a subsidiary of the group and are included in the totals above.

## 9. INTANGIBLE FIXED ASSETS

## Group

|  | Goodwill<br>£                   |
|--|---------------------------------|
| <b>COST</b>                              |                                 |
| At 1 August 2016<br>and 31 July 2017     | <u>770,310</u>                  |
| <b>AMORTISATION</b>                      |                                 |
| At 1 August 2016                         | 165,246                         |
| Amortisation for year<br>At 31 July 2017 | <u>74,531</u><br><u>239,777</u> |
| <b>NET BOOK VALUE</b>                    |                                 |
| At 31 July 2017                          | <u>530,533</u>                  |
| At 31 July 2016                          | <u>605,064</u>                  |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

## 10. TANGIBLE FIXED ASSETS

## Group

|                        | Freehold<br>property<br>£                  | Short<br>leasehold<br>£         | Improvements<br>to<br>property<br>£ | Plant and<br>machinery<br>£ |
|------------------------|--|---------------------------------|-------------------------------------|-----------------------------|
| <b>COST</b>            |  |                                 |                                     |                             |
| At 1 August 2016       | 2,472,592                                  | 117,342                         | 36,155                              | 4,309,762                   |
| Additions              | -  | -                               | -                                   | 863,612                     |
| Disposals              | -  | -                               | -                                   | (1,101,705)                 |
| At 31 July 2017        | <u>2,472,592</u>                           | <u>117,342</u>                  | <u>36,155</u>                       | <u>4,071,669</u>            |
| <b>DEPRECIATION</b>    |  |                                 |                                     |                             |
| At 1 August 2016       | 70,000                                     | 94,832                          | 32,501                              | 2,358,991                   |
| Charge for year        | 48,052                                     | 11,735                          | 469                                 | 535,144                     |
| Eliminated on disposal | -  | -                               | -                                   | (901,848)                   |
| At 31 July 2017        | <u>118,052</u>                             | <u>106,567</u>                  | <u>32,970</u>                       | <u>1,992,287</u>            |
| <b>NET BOOK VALUE</b>  |  |                                 |                                     |                             |
| At 31 July 2017        | <u>2,354,540</u>                           | <u>10,775</u>                   | <u>3,185</u>                        | <u>2,079,382</u>            |
| At 31 July 2016        | <u>2,402,592</u>                           | <u>22,510</u>                   | <u>3,654</u>                        | <u>1,950,771</u>            |
|                        | <b>Fixtures<br/>and<br/>fittings<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Computer<br/>equipment<br/>£</b> | <b>Totals<br/>£</b>         |
| <b>COST</b>            |  |                                 |                                     |                             |
| At 1 August 2016       | 114,985                                    | 260,331                         | 43,710                              | 7,354,877                   |
| Additions              | -  | 126,922                         | 27,639                              | 1,018,173                   |
| Disposals              | (30,162)                                   | (67,352)                        | (3,381)                             | (1,202,600)                 |
| At 31 July 2017        | <u>84,823</u>                              | <u>319,901</u>                  | <u>67,968</u>                       | <u>7,170,450</u>            |
| <b>DEPRECIATION</b>    |  |                                 |                                     |                             |
| At 1 August 2016       | 85,201                                     | 136,314                         | 30,718                              | 2,808,557                   |
| Charge for year        | 7,113                                      | 37,041                          | 5,993                               | 645,547                     |
| Eliminated on disposal | (28,409)                                   | (41,527)                        | (2,210)                             | (973,994)                   |
| At 31 July 2017        | <u>63,905</u>                              | <u>131,828</u>                  | <u>34,501</u>                       | <u>2,480,110</u>            |
| <b>NET BOOK VALUE</b>  |  |                                 |                                     |                             |
| At 31 July 2017        | <u>20,918</u>                              | <u>188,073</u>                  | <u>33,467</u>                       | <u>4,690,340</u>            |
| At 31 July 2016        | <u>29,784</u>                              | <u>124,017</u>                  | <u>12,992</u>                       | <u>4,546,320</u>            |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

## 10. TANGIBLE FIXED ASSETS - continued

## Group

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

|                        | Plant and<br>machinery<br>£ | Fixtures<br>and<br>fittings<br>£ | Motor<br>vehicles<br>£ | Totals<br>£      |
|------------------------|-----------------------------|----------------------------------|------------------------|------------------|
| <b>COST</b>            |                             |                                  |                        |                  |
| At 1 August 2016       | 1,977,140                   | 6,108                            | 152,850                | 2,136,098        |
| Additions              | 859,375                     | -                                | 118,920                | 978,295          |
| Disposals              | (373,585)                   | -                                | (27,750)               | (401,335)        |
| Transfer to ownership  | (40,800)                    | -                                | -                      | (40,800)         |
| At 31 July 2017        | <u>2,422,130</u>            | <u>6,108</u>                     | <u>244,020</u>         | <u>2,672,258</u> |
| <b>DEPRECIATION</b>    |                             |                                  |                        |                  |
| At 1 August 2016       | 778,780                     | 254                              | 49,813                 | 828,847          |
| Charge for year        | 365,733                     | 1,463                            | 32,961                 | 400,157          |
| Eliminated on disposal | (264,134)                   | -                                | (15,497)               | (279,631)        |
| Transfer to ownership  | (23,588)                    | -                                | -                      | (23,588)         |
| At 31 July 2017        | <u>856,791</u>              | <u>1,717</u>                     | <u>67,277</u>          | <u>925,785</u>   |
| <b>NET BOOK VALUE</b>  |                             |                                  |                        |                  |
| At 31 July 2017        | <u>1,565,339</u>            | <u>4,391</u>                     | <u>176,743</u>         | <u>1,746,473</u> |
| At 31 July 2016        | <u>1,198,360</u>            | <u>5,854</u>                     | <u>103,037</u>         | <u>1,307,251</u> |

## Company

|                                      | Freehold<br>property<br>£ |
|--------------------------------------|---------------------------|
| <b>COST</b>                          |                           |
| At 1 August 2016<br>and 31 July 2017 | <u>2,402,592</u>          |
| <b>DEPRECIATION</b>                  |                           |
| Charge for year                      | <u>48,052</u>             |
| At 31 July 2017                      | <u>48,052</u>             |
| <b>NET BOOK VALUE</b>                |                           |
| At 31 July 2017                      | <u>2,354,540</u>          |
| At 31 July 2016                      | <u>2,402,592</u>          |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

## 11. FIXED ASSET INVESTMENTS

## Company

|                       | Shares in<br>group<br>undertakings<br>£ |
|-----------------------|---|
| <b>COST</b>           |   |
| At 1 August 2016      | 1,400,958                               |
| Additions             | <u>105,000</u>                          |
| At 31 July 2017       | <u>1,505,958</u>                        |
| <b>NET BOOK VALUE</b> |   |
| At 31 July 2017       | <u>1,505,958</u>                        |
| At 31 July 2016       | <u>1,400,958</u>                        |

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

**Subsidiaries****Waltet Materials Limited**

Registered office:

Nature of business: Road haulage

|                                | %       | 2017             | 2016           |
|--------------------------------|---------|------------------|----------------|
|                                | holding | £                | £              |
| Class of shares:               |         |                  |                |
| Ordinary                       | 100.00  |                  |                |
| Aggregate capital and reserves |         | <u>1,306,140</u> | 974,278        |
| Profit for the year            |         | <u>428,262</u>   | <u>360,622</u> |

**Hutchings and Carter Limited**

Registered office:

Nature of business: Plant, building and civil engineering contractors.

|                                | %       | 2017           | 2016             |
|--------------------------------|---------|----------------|------------------|
|                                | holding | £              | £                |
| Class of shares:               |         |                |                  |
| Ordinary                       | 100.00  |                |                  |
| Aggregate capital and reserves |         | <u>627,354</u> | 752,797          |
| Profit/(loss) for the year     |         | <u>114,133</u> | <u>(332,222)</u> |

During the year, the parent company purchased 100 Ordinary B shares in Hutchings and Carter Limited, such that at the balance sheet date it was the 100% owner of all shares in issue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

## 11. FIXED ASSET INVESTMENTS - continued

**Carter Estates Limited**

Registered office:

Nature of business: Property development and waste management services

|                  |                   |
|------------------|-------------------|
| Class of shares: | %                 |
| Ordinary C       | holding<br>100.00 |

|                                |               |                  |
|--------------------------------|---------------|------------------|
|                                | <b>2017</b>   | 2016             |
|                                | £             | £                |
| Aggregate capital and reserves | <b>20,903</b> | 20,903           |
| Loss for the year              | <u>-</u>      | <u>(157,735)</u> |

**Waltet Recycling Limited (Formerly RF Salvidge Farms Limited)**

Registered office:

Nature of business: Waste recycling

|                  |                   |
|------------------|-------------------|
| Class of shares: | %                 |
| Ordinary         | holding<br>100.00 |

|                                |                       |                |
|--------------------------------|-----------------------|----------------|
|                                | <b>2017</b>           | 2016           |
|                                | £                     | £              |
| Aggregate capital and reserves | <b>1,014,031</b>      | 822,939        |
| Profit for the year            | <u><b>191,192</b></u> | <u>309,373</u> |

## 12. STOCKS

|        |                     |              |
|--------|---------------------|--------------|
|        | <b>Group</b>        |              |
|        | <b>2017</b>         | 2016         |
|        | £                   | £            |
| Stocks | <u><b>6,000</b></u> | <u>6,000</u> |

## 13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                 |                         |                  |                     |          |
|---------------------------------|-------------------------|------------------|---------------------|----------|
|                                 | <b>Group</b>            |                  | <b>Company</b>      |          |
|                                 | <b>2017</b>             | 2016             | <b>2017</b>         | 2016     |
|                                 | £                       | £                | £                   | £        |
| Trade debtors                   | <b>1,647,374</b>        | 2,306,639        | <b>9,120</b>        | -        |
| Amounts recoverable on contract | <b>119,669</b>          | 123,900          | -                   | -        |
| Other debtors                   | <b>690,790</b>          | 161,454          | -                   | -        |
|                                 | <u><b>2,457,833</b></u> | <u>2,591,993</u> | <u><b>9,120</b></u> | <u>-</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

## 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|   | Group            |                  | Company          |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2017             | 2016             | 2017             | 2016             |
|   | £                | £                | £                | £                |
| Bank loans and overdrafts (see note 16) | 141,756          | 137,548          | 98,865           | 98,501           |
| Hire purchase contracts (see note 17)   | 449,569          | 403,514          | -                | -                |
| Trade creditors                         | 1,031,615        | 1,229,642        | (2)              | -                |
| Amounts owed to group undertakings      | -                | -                | 1,864,047        | 2,122,099        |
| Tax                                     | 191,398          | 176,440          | 16,673           | -                |
| Social security and other taxes         | 44,642           | 53,883           | -                | -                |
| VAT                                     | 241,751          | 326,687          | 8,333            | -                |
| Other creditors                         | 1,272,058        | 1,275,497        | 907,355          | 504,332          |
|   | <u>3,372,789</u> | <u>3,603,211</u> | <u>2,895,271</u> | <u>2,724,932</u> |

## 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                                       | Group            |                  | Company        |                |
|---------------------------------------|------------------|------------------|----------------|----------------|
|                                       | 2017             | 2016             | 2017           | 2016           |
|                                       | £                | £                | £              | £              |
| Bank loans (see note 16)              | 501,694          | 645,652          | 354,634        | 453,499        |
| Other loans (see note 16)             | 470,500          | 553,300          | -              | -              |
| Hire purchase contracts (see note 17) | 1,103,955        | 722,883          | -              | -              |
|                                       | <u>2,076,149</u> | <u>1,921,835</u> | <u>354,634</u> | <u>453,499</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

## 16. LOANS

An analysis of the maturity of loans is given below:

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2017           | 2016           | 2017           | 2016           |
|   | £              | £              | £              | £              |
| Amounts falling due within one year or on demand: |                |                |                |                |
| Bank loans  | <u>141,756</u> | <u>137,548</u> | <u>98,865</u>  | <u>98,501</u>  |
| Amounts falling due between one and two years:    |                |                |                |                |
| Bank loans - 1-2 years                            | 145,209        | 141,749        | 101,017        | 98,865         |
| Other loans - 1-2 years                           | <u>82,800</u>  | <u>82,800</u>  | <u>-</u>       | <u>-</u>       |
|   | <u>228,009</u> | <u>224,549</u> | <u>101,017</u> | <u>98,865</u>  |
| Amounts falling due between two and five years:   |                |                |                |                |
| Bank loans - 2-5 years                            | 356,485        | 447,411        | 253,617        | 309,809        |
| Other loans - 2-5 years                           | <u>331,200</u> | <u>331,200</u> | <u>-</u>       | <u>-</u>       |
|   | <u>687,685</u> | <u>778,611</u> | <u>253,617</u> | <u>309,809</u> |
| Amounts falling due in more than five years:      |                |                |                |                |
| Repayable by instalments                          |                |                |                |                |
| Bank loans more 5 yr by instal                    | -              | 56,492         | -              | 44,825         |
| Other loans more 5yrs instal                      | <u>56,500</u>  | <u>139,300</u> | <u>-</u>       | <u>-</u>       |
|   | <u>56,500</u>  | <u>195,792</u> | <u>-</u>       | <u>44,825</u>  |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

## 17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

**Group**

|                              | <b>Hire purchase contracts</b> |                  |
|------------------------------|--------------------------------|------------------|
|                              | <b>2017</b>                    | <b>2016</b>      |
|                              | <b>£</b>                       | <b>£</b>         |
| Gross obligations repayable: |                                |                  |
| Within one year              | <b>510,331</b>                 | 458,603          |
| Between one and five years   | <b>1,207,814</b>               | 808,853          |
|                              | <b><u>1,718,145</u></b>        | <u>1,267,456</u> |
| Finance charges repayable:   |                                |                  |
| Within one year              | <b>60,762</b>                  | 55,089           |
| Between one and five years   | <b>103,859</b>                 | 85,970           |
|                              | <b><u>164,621</u></b>          | <u>141,059</u>   |
| Net obligations repayable:   |                                |                  |
| Within one year              | <b>449,569</b>                 | 403,514          |
| Between one and five years   | <b>1,103,955</b>               | 722,883          |
|                              | <b><u>1,553,524</u></b>        | <u>1,126,397</u> |

**Group**

|                            | <b>Non-cancellable operating leases</b> |                |
|----------------------------|---|----------------|
|                            | <b>2017</b>                             | <b>2016</b>    |
|                            | <b>£</b>                                | <b>£</b>       |
| Within one year            | <b>72,704</b>                           | 79,154         |
| Between one and five years | <b>193,306</b>                          | 225,276        |
| In more than five years    | <b>202,875</b>                          | 267,500        |
|                            | <b><u>468,885</u></b>                   | <u>571,930</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

## 18. SECURED DEBTS

The following secured debts are included within creditors:

|                         | Group            |                  |
|-------------------------|------------------|------------------|
|                         | 2017             | 2016             |
|                         | £                | £                |
| Bank loans              | 643,450          | 783,200          |
| Hire purchase contracts | <u>1,553,524</u> | <u>1,126,397</u> |
|                         | <u>2,196,974</u> | <u>1,909,597</u> |

The group's hire purchase liabilities are secured against the assets to which they relate.

Details of the security on the group's bank borrowing is provided in note 23.

## 19. PROVISIONS FOR LIABILITIES

|                          | Group          |                     |
|--------------------------|----------------|---------------------|
|                          | 2017           | 2016                |
|                          | £              | £                   |
| Deferred tax             | <u>226,815</u> | <u>229,689</u>      |
| <b>Group</b>             |                | <b>Deferred tax</b> |
|                          |                | <b>£</b>            |
| Balance at 1 August 2016 |                | 229,689             |
| Credit for the year      |                | <u>(2,874)</u>      |
| Balance at 31 July 2017  |                | <u>226,815</u>      |

## 20. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: |            |                | 2015       | 2014       |
|----------------------------------|------------|----------------|------------|------------|
| Number:                          | Class:     | Nominal value: | £          | £          |
| 82                               | Ordinary A | £1             | 82         | 82         |
| 88                               | Ordinary B | £1             | 88         | 88         |
| 10                               | Ordinary C | £1             | 10         | 10         |
| 10                               | Ordinary D | £1             | 10         | 10         |
| 10                               | Ordinary E | £1             | <u>10</u>  | <u>10</u>  |
|                                  |            |                | <u>200</u> | <u>200</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

## 21. RESERVES

## Group

|                                | Retained<br>earnings<br>£ |
|--------------------------------|---------------------------|
| At 1 August 2016               | 2,290,941                 |
| Profit for the year            | 679,861                   |
| Dividends                      | (195,976)                 |
| Purchase of own shares         | (140,000)                 |
| Release from minority interest | (1,121)                   |
| At 31 July 2017                | <u>2,633,705</u>          |

## Company

|                     | Retained<br>earnings<br>£ |
|---------------------|---------------------------|
| At 1 August 2016    | 625,019                   |
| Profit for the year | 190,691                   |
| Dividends           | (171,400)                 |
| At 31 July 2017     | <u>644,310</u>            |

## 22. NON-CONTROLLING INTERESTS

During the year the minority interests share of the group profit after tax was £Nil (2016: Loss of £94,557).

Minority interests of £103,879 were released upon the acquisition of the remaining share capital in Hutchings and Carter Limited.

At the balance sheet date, the minority interests share of the group net assets was £Nil (2016: £103,879).

## 23. CONTINGENT LIABILITIES

Each of the companies within the Waltet Limited group have entered into an unlimited inter-company guarantee for the obligations of the fellow group companies to their bank. At the balance sheet date, the following amounts were owed to the bank:

|                            | <u>2017</u>    | <u>2016</u>    |
|----------------------------|----------------|----------------|
| Waltet Materials Limited   | -              | -              |
| Hutchings & Carter Limited | 189,951        | 251,845        |
| Carter Estates Limited     | -              | -              |
| R F Salvidge Farms Limited | -              | -              |
| Waltet Limited             | <u>453,499</u> | <u>552,000</u> |
|                            | <u>643,450</u> | <u>803,845</u> |

## 24. RELATED PARTY DISCLOSURES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2017

## 24. RELATED PARTY DISCLOSURES - continued

## Key management personnel of the entity or its parent (in the aggregate)

|                             | 2017             | 2016           |
|-----------------------------|------------------|----------------|
|                             | £                | £              |
| Purchases                   | 914,460          | 748,735        |
| Amount due to related party | <u>1,291,305</u> | <u>541,018</u> |

## Other related parties

|                             | 2017          | 2016          |
|-----------------------------|---------------|---------------|
|                             | £             | £             |
| Net loan repayments         | 34,330        | 41,899        |
| Amount due to related party | <u>46,107</u> | <u>80,437</u> |

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