Company Registration No. 06867939 (England and Wales)

EURO DEMOLITION + DISMANTLING LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

EURO DEMOLITION + DISMANTLING LTD

COMPANY INFORMATION

Directors	Mr D G Unwin	
	Ms D M Everitt	(Appointed 1 January 2020)
Company number	06867939	
Registered office	Unit 17 Marchington Industrial Estate Stubby Lane Marchington Uttoxeter Staffordshire ST14 8LP	
Auditor	DJH Accountants Limited Porthill Lodge High Street Wolstanton Newcastle under Lyme Staffordshire ST5 0EZ	

EURO DEMOLITION + DISMANTLING LTD

CONTENTS

EURO DEMOLITION + DISMANTLING LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The directors present their annual report and financial statements for the year ended 30 June 2019.

Principal activities
The principal activity of the company is that of the sale of heavy plant and machinery and the provision of demolition services.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D J Miller	(Resigned 15 September 2018)
Mr D G Unwin	
Mr R E Speake	(Appointed 28 September 2018 and resigned 11 March 2020)
Ms D M Everitt	(Appointed 1 January 2020)

Auditor
In accordance with the company's articles, a resolution proposing that DJH Accountants Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities
The directors are responsible for preparing the annual report 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 of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr D G Unwin
Director

31 March 2020
Date

EURO DEMOLITION + DISMANTLING LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EURO DEMOLITION + DISMANTLING LTD

Qualified opinion on financial statements

We have audited the financial statements of Euro Demolition + Dismantling Ltd (the 'company') for the year ended 30 June 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 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 qualified opinion

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, evidence available to us was limited solely in respect of a claim receivable for a breach of contract, included in other debtors at £1.2m. Legal action has been taken by the company as a result of a breach prior to the balance sheet date, but we were unable to determine the status of the case, and consequently whether the success of the claim is virtually certain or contingent on any further events. We are unable to determine therefore whether any adjustments might be necessary to both debtors and profits for the year in respect of this asset.

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 *Auditor's 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 qualified 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.

EURO DEMOLITION + DISMANTLING LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EURO DEMOLITION + DISMANTLING LTD

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to other debtors, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

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 directors' report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 is 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.

Auditor's 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 an auditor's report 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: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Gary Neil Chadwick FCCA
(Senior Statutory Auditor)
for and on behalf of
DJH ACCOUNTANTS LIMITED

Chartered Certified Accountants
Statutory Auditor

Porthill Lodge
High Street
Wolstanton
Newcastle under Lyme
Staffordshire
ST5 0EZ

31 March 2020

EURO DEMOLITION + DISMANTLING LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Year ended 30 June 2019 £	Period ended 30 June 2018 £
Turnover	3	14,680,777	15,228,660
Cost of sales		(12,564,932)	(12,042,745)
Gross profit		2,115,845	3,185,915
Administrative expenses		(1,630,631)	(1,986,993)
Other operating income		41,476	49,257
Operating profit	4	526,690	1,248,179
Interest receivable and similar income	7	133	232
Interest payable and similar expenses	8	(365,102)	(694,901)
Profit before taxation		161,721	553,510
Tax on profit	9	(53,573)	(171,107)
Profit for the financial year		108,148	382,403

The profit and loss account has been prepared on the basis that all operations are continuing operations.

EURO DEMOLITION + DISMANTLING LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Profit for the year	108,148	382,403
Other comprehensive income	-	-
Total comprehensive income for the year	108,148	382,403

EURO DEMOLITION + DISMANTLING LTD

BALANCE SHEET

AS AT 30 JUNE 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	**11**		2,679,340		2,476,946
Current assets					
Stocks	**12**	2,729,165		1,948,140	
Debtors	**13**	4,023,718		4,260,171	
Cash at bank and in hand		31,107		44,446	
		6,783,990		6,252,757	
Creditors: amounts falling due within one year	**14**	(5,430,166)		(4,670,314)	
Net current assets			1,353,824		1,582,443
Total assets less current liabilities			4,033,164		4,059,389
Creditors: amounts falling due after more than one year	**15**		(2,723,451)		(2,922,201)
Provisions for liabilities	**18**		(221,311)		(156,934)
Net assets			1,088,402		980,254
Capital and reserves					
Called up share capital	**21**		300,001		300,001
Revaluation reserve			1,335		1,335
Profit and loss reserves			787,066		678,918
Total equity			1,088,402		980,254

The financial statements were approved by the board of directors and authorised for issue on 31 March 2020 and are signed on its behalf by:

Mr D G Unwin
Director

Company Registration No. 06867939

EURO DEMOLITION + DISMANTLING LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Share capital	Revaluation reserve	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 January 2017		300,001	45,380	307,849	653,230
Period ended 30 June 2018:					
Profit and total comprehensive income for the period		-	-	382,403	382,403
Dividends	**10**	-	-	(55,379)	(55,379)
Transfers		-	(44,045)	44,045	-
Balance at 30 June 2018		300,001	1,335	678,918	980,254
Period ended 30 June 2019:					
Profit and total comprehensive income for the period		-	-	108,148	108,148
Balance at 30 June 2019		300,001	1,335	787,066	1,088,402

1 Accounting policies

Company information

Euro Demolition + Dismantling Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Unit 17 Marchington Industrial Estate, Stubby Lane, Marchington, Uttoxeter, Staffordshire, ST14 8LP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of plant and machinery and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have considered the current and future trading position of the company and given the financial forecasts together with the continued support of its related parties believe that the going concern basis is appropriate.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

1 Accounting policies **(Continued)**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	20% per annum on cost charged monthly from month of acquisition
Plant and machinery	15% per annum on net book value charged monthly from month of acquisition
Motor vehicles	25% per annum on net book value charged monthly from month of acquisition

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1 Accounting policies **(Continued)**

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company 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 instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors , loans to fellow group companies 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 financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1 Accounting policies **(Continued)**

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1 Accounting policies **(Continued)**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019	2018
	£	£
Turnover analysed by class of business		
Demolition sales	13,144,653	9,431,357
Plant sales	39,860	21,787
Sales of machinery	1,496,264	5,775,516
	14,680,777	15,228,660

	2019	2018
	£	£
Other significant revenue		
Interest income	133	232

	2019	2018
	£	£
Turnover analysed by geographical market		
UK sales	14,680,777	15,228,660

4 Operating profit

	2019	2018
Operating profit for the period is stated after charging:	£	£
Depreciation of owned tangible fixed assets	245,495	342,236
Depreciation of tangible fixed assets held under finance leases	148,040	98,462
Cost of stocks recognised as an expense	9,508,852	8,064,938

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Management	3	3

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,947,478	2,370,661

6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	128,863	186,200

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	133	232

8 Interest payable and similar expenses

	2019 £	2018 £
Other interest on financial liabilities	17,000	13,000
Interest on finance leases and hire purchase contracts	348,102	672,673
Other interest	-	9,228
	365,102	694,901

9 Taxation

	2019 £	2018 £
Deferred tax		
Origination and reversal of timing differences	53,573	171,107

9 Taxation **(Continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
Profit before taxation	161,721	553,510
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	30,727	105,167
Tax effect of expenses that are not deductible in determining taxable profit	218	1,850
Tax effect of utilisation of tax losses not previously recognised	127	(68,827)
Unutilised tax losses carried forward	40,804	-
Permanent capital allowances in excess of depreciation	53,573	171,107
Depreciation addback	74,772	83,733
Capital allowances	(146,648)	(121,923)
Taxation charge for the period	53,573	171,107

10 Dividends

	2019	2018
	£	£
Interim paid	-	55,379

11 Tangible fixed assets

	Leasehold land and buildings	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 July 2018	21,409	2,674,203	369,770	3,065,382
Additions	-	673,316	198,844	872,160
Disposals	-	(234,442)	(123,983)	(358,425)
At 30 June 2019	21,409	3,113,077	444,631	3,579,117
Depreciation and impairment				
At 1 July 2018	-	495,922	92,514	588,436
Depreciation charged in the year	-	328,307	65,228	393,535
Eliminated in respect of disposals	-	(22,812)	(59,382)	(82,194)
At 30 June 2019	-	801,417	98,360	899,777
Carrying amount				
At 30 June 2019	21,409	2,311,660	346,271	2,679,340
At 30 June 2018	21,409	2,178,281	277,256	2,476,946

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2019	2018
	£	£
Plant and machinery	2,131,688	2,039,257

Plant and machinery has been previously revalued to its open market value by the directors.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2019	2018
	£	£
Cost	32,927	32,927
Accumulated depreciation	(18,039)	(15,412)
Carrying value	14,888	17,515

12 Stocks

	2019	2018
	£	£
Raw materials and consumables	5,000	5,000
Work in progress	2,549,549	1,817,146
Finished goods and goods for resale	174,616	125,994
	2,729,165	1,948,140

13 Debtors

	2019	2018
Amounts falling due within one year:	£	£
Trade debtors	243,036	227,651
Other debtors	3,571,219	3,813,668
Prepayments and accrued income	112,748	132,941
	3,927,003	4,174,260
Deferred tax asset (note 19)	96,715	85,911
	4,023,718	4,260,171

14 Creditors: amounts falling due within one year

		2019	2018
		£	£
Bank loans and overdrafts	**16**	13,424	-
Obligations under finance leases	**17**	1,322,548	1,168,753
Trade creditors		657,514	1,510,119
Gross amounts due to contract customers		147,714	-
Other taxation and social security		809,774	830,581
Deferred income	**20**	-	631,287
Other creditors		2,450,041	499,051
Accruals and deferred income		29,151	30,523
		5,430,166	4,670,314

Obligations under finance leases are secured on the assets which they relate to.

15 Creditors: amounts falling due after more than one year

		2019	2018
		£	£
Obligations under finance leases	**17**	1,619,405	1,713,155
Other borrowings	**16**	1,104,046	1,209,046
		2,723,451	2,922,201

Obligations under finance leases are secured on the assets which they relate to.

16 Loans and overdrafts

	2019	2018
	£	£
Bank overdrafts	13,424	-
Other loans	1,104,046	1,209,046
	1,117,470	1,209,046
Payable within one year	13,424	-
Payable after one year	1,104,046	1,209,046

17 Finance lease obligations

	2019	2018
Future minimum lease payments due under finance leases:	£	£
Within one year	1,322,548	1,168,753
In two to five years	1,619,405	1,713,155
	2,941,953	2,881,908

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 Provisions for liabilities

		2019	2018
	Notes	£	£
Deferred tax liabilities	**19**	221,311	156,934

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019	Liabilities 2018	Assets 2019	Assets 2018
Balances:	**£**	**£**	**£**	**£**
Accelerated capital allowances	221,018	156,641	-	-
Tax losses	-	-	96,715	85,911
Revaluations	293	293	-	-
	221,311	156,934	96,715	85,911

Movements in the year:	**2019 £**
Liability at 1 July 2018	71,023
Charge to profit or loss	53,573
Liability at 30 June 2019	124,596

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

20 Deferred income

	2019 £	2018 £
Other deferred income	-	631,287

21 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1

21 Share capital **(Continued)**

	2019	2018
	£	£
Preference share capital		
Issued and fully paid		
300,000 Preference shares of £1 each	300,000	300,000
Preference shares classified as equity	300,000	300,000
Total equity share capital	300,001	300,001

22 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019	2018
	£	£
Within one year	25,000	30,000
Between two and five years	-	25,000
	25,000	55,000