

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 2018

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

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FOR THE YEAR ENDED 31 JULY 2018**

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WALTET LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2018**

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 FCA

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

BANKERS: Svenska Handelsbanken AB
3 Carlton Crescent
Southampton
Hampshire
SO15 2EY

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2018**

The directors present their strategic report of the company and the group for the year ended 31 July 2018.

REVIEW OF BUSINESS

The group offers a full range of ethical waste disposal, supplying quality construction materials, providing transport services including tipper and grab lorry hire, and operating an extensive fleet of skips and waste collection services.

The results for the group show a pre-tax profit of £755k (2017: £868k) for the year and turnover of £12.826m (2017: £10.261m).

Business Environment

Within this competitive environment the group has differentiated itself from its competitors by establishing efficiency of its operations, depth of experience, a team of well-trained dedicated staff, modern environmentally-friendly machinery, state-of-the-art technology, and continued investment of profits back into the business to fund future innovation.

Strategy

The group's overriding objective is to achieve attractive and sustainable rates of growth and returns through a combination of organic growth and acquisitions.

There are two key elements to the group's strategy for growth. They are:

- Building a broad product range, designed to meet the all the needs of customers;
- Investment in operational assets.

Future Outlook

The external commercial environment is expected to remain competitive in 2018 as the UK market continues to grow. We believe that as a result of our continued investment in our product range, we will continue to maintain our current level of performance in the future.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the group's strategy are subject to a number of risks. Risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them. The key business risks affecting the group are set out below.

Competition

The group operates in a highly competitive market particularly around price and product availability / quality. This results not only in downward pressure on our margins but also in the risk that we will not meet our customer's expectations. In order to mitigate this risk regular pricing and profitability reviews are undertaken. Furthermore, we undertake routine market research to better understand our customers' expectations and whether their needs are being met.

Employee

The group's performance depends largely on its managers and staff. The resignation of key individuals and the inability to recruit people with the right experience and skills could adversely impact the group's results. To mitigate these issues the group has an induction and learning programme for all employees and have implemented a number of schemes linked to the group's results that are designed to retain key individuals.

Supply Chain

The group operates with a number of core suppliers to provide a diverse range of product. The group is potentially exposed to potential supply chain disruptions due to delays. The group mitigates this risk through effective supplier selection and procurement processes supplemented by appropriate insurance coverage.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2018**

KEY PERFORMANCE INDICATORS

We have made significant progress in the year on the group's overriding objective and two key elements of our strategy for growth. The board monitors progress on the overall strategy and the individual strategic elements by reference to our Key Performance Indicators (KPIs).

Performance during the year, together with historical trend data is set out in the table below:

	2018	2017	Definition, method of calculation
Growth in sales (%)	25.0%	3.7%	Year on year sales growth expressed as a percentage. The slow growth in 2017 was the result of decreased work from the council. We anticipate continued growth in 2019.
Gross Margin (%)	27.7%	30.4%	Gross margin is the ratio of gross profit before exceptional items expressed as a percentage. We anticipate similar gross margin levels in 2019.
Return on Capital (%)	20.0%	36.2%	Operating profit expressed as a percentage of net assets. This is in line with expectations with the reduction due to an increase in property value.

ON BEHALF OF THE BOARD:

M R Howard - Director

9 January 2019

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2018**

The directors present their report with the financial statements of the company and the group for the year ended 31 July 2018.

DIVIDENDS

The total distribution of dividends for the year ended 31 July 2018 will be £171,400 (2017: £195,976). 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 2017 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

9 January 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WALTET LIMITED

Opinion

We have audited the financial statements of Waltet Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2018 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 July 2018 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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

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 four, 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Brookes FCA (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

6 February 2019

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2018**

	Notes	2018 £	2017 £
TURNOVER		12,826,300	10,260,829
Cost of sales		<u>(9,270,686)</u>	<u>(7,136,912)</u>
GROSS PROFIT		3,555,614	3,123,917
Administrative expenses		<u>(2,841,989)</u>	<u>(2,341,949)</u>
		713,625	781,968
Other operating income		<u>148,853</u>	172,383
OPERATING PROFIT	4	862,478	954,351
Interest receivable and similar income		<u>-</u>	32
		862,478	954,383
Interest payable and similar expenses	5	<u>(107,284)</u>	<u>(85,997)</u>
PROFIT BEFORE TAXATION		755,194	868,386
Tax on profit	6	<u>(197,064)</u>	<u>(188,524)</u>
PROFIT FOR THE FINANCIAL YEAR		558,130	679,862
Profit attributable to:			
Owners of the parent		<u>558,130</u>	<u>679,862</u>

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2018**

	Notes	2018 £	2017 £
PROFIT FOR THE YEAR		558,130	679,862
OTHER COMPREHENSIVE INCOME			
Purchase of own shares		-	(140,000)
Release of minority interest		-	(1,121)
Revaluation of freehold property		1,285,460	-
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>1,285,460</u>	<u>(141,121)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,843,590</u>	<u>538,741</u>
Total comprehensive income attributable to:			
Owners of the parent		1,843,590	642,620
Non-controlling interests		-	(103,879)
		<u>1,843,590</u>	<u>538,741</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 JULY 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Intangible assets	9	456,002	530,533
Tangible assets	10	6,686,077	4,690,341
Investments	11	-	-
		<u>7,142,079</u>	<u>5,220,874</u>
CURRENT ASSETS			
Stocks	12	6,000	6,000
Debtors	13	2,791,017	2,457,833
Cash at bank and in hand		1,009,864	624,952
		<u>3,806,881</u>	<u>3,088,785</u>
CREDITORS			
Amounts falling due within one year	14	(4,003,481)	(3,372,789)
NET CURRENT LIABILITIES		<u>(196,600)</u>	<u>(284,004)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,945,479	4,936,870
CREDITORS			
Amounts falling due after more than one year	15	(2,347,332)	(2,076,149)
PROVISIONS FOR LIABILITIES	19	<u>(292,051)</u>	<u>(226,815)</u>
NET ASSETS		<u>4,306,096</u>	<u>2,633,906</u>
CAPITAL AND RESERVES			
Called up share capital	20	200	200
Non-distributable profit and loss reserve	21	1,285,460	-
Retained earnings	21	3,020,436	2,633,706
SHAREHOLDERS' FUNDS		<u>4,306,096</u>	<u>2,633,906</u>

The notes form part of these financial statements

WALTET LIMITED (REGISTERED NUMBER: 06550655)

CONSOLIDATED BALANCE SHEET - continued
31 JULY 2018

The financial statements were approved by the Board of Directors on 9 January 2019 and were signed on its behalf by:

M R Howard - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 JULY 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	3,615,146	2,354,540
Investments	11	<u>1,210,095</u>	<u>1,505,958</u>
		<u>4,825,241</u>	<u>3,860,498</u>
CURRENT ASSETS			
Debtors	13	16,665	9,120
Cash at bank and in hand		<u>60,018</u>	<u>24,797</u>
		76,683	33,917
CREDITORS			
Amounts falling due within one year	14	<u>(2,990,280)</u>	<u>(2,895,271)</u>
NET CURRENT LIABILITIES		<u>(2,913,597)</u>	<u>(2,861,354)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,911,644	999,144
CREDITORS			
Amounts falling due after more than one year	15	<u>(266,239)</u>	<u>(354,634)</u>
NET ASSETS		<u>1,645,405</u>	<u>644,510</u>
CAPITAL AND RESERVES			
Called up share capital	20	200	200
Non-distributable profit and loss reserve	21	1,285,460	-
Retained earnings	21	<u>359,745</u>	<u>644,310</u>
SHAREHOLDERS' FUNDS		<u>1,645,405</u>	<u>644,510</u>
Company's (loss)/profit for the financial year		<u>(113,164)</u>	<u>190,691</u>

The financial statements were approved by the Board of Directors on 9 January 2019 and were signed on its behalf by:

M R Howard - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2018**

	Called up share capital £	Retained earnings £	Non-distributable profit and loss reserve £
Balance at 1 August 2016	200	2,290,941	-
Changes in equity			
Dividends	-	(195,976)	-
Total comprehensive income	-	538,741	-
Balance at 31 July 2017	200	2,633,706	-
Changes in equity			
Dividends	-	(171,400)	-
Total comprehensive income	-	558,130	1,285,460
Balance at 31 July 2018	200	3,020,436	1,285,460
	Total £	Non-controlling interests £	Total equity £
Balance at 1 August 2016	2,291,141	103,879	2,395,020
Changes in equity			
Dividends	(195,976)	-	(195,976)
Total comprehensive income	538,741	(103,879)	434,862
Balance at 31 July 2017	2,633,906	-	2,633,906
Changes in equity			
Dividends	(171,400)	-	(171,400)
Total comprehensive income	1,843,590	-	1,843,590
Balance at 31 July 2018	4,306,096	-	4,306,096

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2018

	Called up share capital £	Retained earnings £	Non-distributable profit and loss reserve £	Total equity £
Balance at 1 August 2016	200	625,019	-	625,219
Changes in equity				
Dividends	-	(171,400)	-	(171,400)
Total comprehensive income	-	190,691	-	190,691
Balance at 31 July 2017	200	644,310	-	644,510
Changes in equity				
Dividends	-	(171,400)	-	(171,400)
Total comprehensive income	-	(113,164)	1,285,460	1,172,296
Balance at 31 July 2018	200	359,746	1,285,460	1,645,406

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	1,884,756	1,250,695
Interest paid		(16,815)	(17,969)
Interest element of hire purchase payments paid		(90,469)	(68,028)
Tax paid		(191,398)	(176,440)
Net cash from operating activities		<u>1,586,074</u>	<u>988,258</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(526,343)	(39,878)
Sale of tangible fixed assets		348,664	408,056
Acquisition of subsidiary		-	(105,000)
Purchase of own shares		-	(140,000)
Interest received		-	32
Net cash from investing activities		<u>(177,679)</u>	<u>123,210</u>
Cash flows from financing activities			
New loans in year		290,384	-
Net loan (repayments)/income		(643,450)	(139,750)
Net HP income/(repayments) in year		(499,018)	(551,168)
Equity dividends paid		(171,400)	(171,401)
Dividends paid to minority interests		-	(24,575)
Net cash from financing activities		<u>(1,023,484)</u>	<u>(886,894)</u>
Increase in cash and cash equivalents		<u>384,911</u>	<u>224,574</u>
Cash and cash equivalents at beginning of year	2	624,952	400,378
Cash and cash equivalents at end of year	2	<u>1,009,864</u>	<u>624,952</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2018

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

	2018	2017
	£	£
Profit before taxation	755,194	868,386
Depreciation charges	843,918	720,075
Profit on disposal of fixed assets	(112,621)	(179,450)
Finance costs	107,284	85,997
Finance income	-	(32)
	<u>1,593,775</u>	<u>1,494,976</u>
(Increase)/decrease in trade and other debtors	(333,184)	134,162
Increase/(decrease) in trade and other creditors	<u>624,165</u>	<u>(378,443)</u>
Cash generated from operations	<u>1,884,756</u>	<u>1,250,695</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 2018

	31.7.18	1.8.17
	£	£
Cash and cash equivalents	<u>1,009,864</u>	<u>624,952</u>

Year ended 31 July 2017

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

**ERROR MESSAGES FROM THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2018**

**CURRENT YEAR - MOVEMENT IN CASH AND CASH EQUIVALENTS
AS CALCULATED IN CONSOLIDATED CASH FLOW STATEMENT
DOES NOT AGREE TO MOVEMENT PER BALANCE SHEET

COMPARE MOVEMENT ON CONSOLIDATED CASH FLOW
STATEMENT = 384,911

TO MOVEMENT PER BALANCE SHEET
CASH AND CASH EQUIVALENTS = 384,912

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

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 as modified by the revaluation of certain assets.

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 consideration of 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 arising on consolidation is being written off over its useful estimated life of 10 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

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 2018

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 instruments

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

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

	2018	2017
	£	£
Wages and salaries	3,169,277	3,099,182
Social security costs	16,869	17,616
Other pension costs	101,896	80,000
	<u>3,288,042</u>	<u>3,196,798</u>

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

	2018	2017
Office / Support	32	27
Drivers / Contracting	40	43
Pickers	29	42
Workshop	2	3
	<u>103</u>	<u>115</u>

	2018	2017
	£	£
Directors' remuneration	165,165	176,133
Directors' pension contributions to money purchase schemes	101,896	80,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

3. EMPLOYEES AND DIRECTORS - continued

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

Money purchase schemes	<u>5</u>	<u>2</u>
------------------------	----------	----------

4. OPERATING PROFIT

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

	2018	2017
	£	£
Hire of plant and machinery	(114)	180,025
Depreciation - owned assets	272,613	245,391
Depreciation - assets on hire purchase contracts	496,774	400,155
Profit on disposal of fixed assets	(112,621)	(179,450)
Goodwill amortisation	74,531	74,531
Auditors' remuneration	14,000	13,600
Auditors' remuneration for non audit work	6,085	25,120
Operating lease rentals	<u>72,727</u>	<u>79,404</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank loan interest	15,365	15,601
Loan interest	1,450	2,368
Hire purchase	<u>90,469</u>	<u>68,028</u>
	<u>107,284</u>	<u>85,997</u>

6. TAXATION

Analysis of the tax charge

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

	2018	2017
	£	£
Current tax:		
UK corporation tax	131,828	191,398
Deferred tax	<u>65,236</u>	<u>(2,874)</u>
Tax on profit	<u>197,064</u>	<u>188,524</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u>755,194</u>	<u>868,386</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	143,487	173,677
Effects of:		
Expenses not deductible for tax purposes	4,482	2,546
Depreciation in excess of capital allowances	35,203	957
Difference relating to amortisation of consolidated goodwill	13,892	14,603
Difference relating to variance in tax rates	-	(3,259)
Total tax charge	<u>197,064</u>	<u>188,524</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2018 Tax £	Net £
Purchase of own shares			
Release of minority interest			
Revaluation of freehold property	<u>1,285,460</u>	-	<u>1,285,460</u>
	<u>1,285,460</u>	-	<u>1,285,460</u>
		2017	
	Gross £	Tax £	Net £
Purchase of own shares	(140,000)	-	(140,000)
Release of minority interest	<u>(1,121)</u>	-	<u>(1,121)</u>
	<u>(141,121)</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 2018

8. DIVIDENDS

	2018	2017
£ £		
Ordinary A shares of £1 each Interim	53,700	78,276
Ordinary B shares of £1 each Interim	20,000	40,000
Ordinary C shares of £1 each Interim	17,500	17,500
Ordinary D shares of £1 each Interim	71,200	51,200
Ordinary E shares of £1 each Interim	9,000	9,000
	<u>171,400</u>	<u>195,976</u>

Dividends totalling £nil (2017: £24,575) 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 £
COST	
At 1 August 2017 and 31 July 2018	<u>770,310</u>
AMORTISATION	
At 1 August 2017	239,777
Amortisation for year At 31 July 2018	<u>74,531</u>
	<u>314,308</u>
NET BOOK VALUE	
At 31 July 2018	<u>456,002</u>
At 31 July 2017	<u>530,533</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Improvements to property £	Plant and machinery £
COST OR VALUATION				
At 1 August 2017	2,472,592	117,342	36,155	4,071,669
Additions	-	32,875	-	1,546,129
Disposals	-	-	-	(823,931)
Revaluations	1,237,408	-	-	-
At 31 July 2018	<u>3,710,000</u>	<u>150,217</u>	<u>36,155</u>	<u>4,793,867</u>
DEPRECIATION				
At 1 August 2017	118,052	106,567	32,970	1,992,287
Charge for year	24,854	11,049	469	665,217
Eliminated on disposal	-	-	-	(646,276)
Revaluation adjustments	(48,052)	-	-	-
At 31 July 2018	<u>94,854</u>	<u>117,616</u>	<u>33,439</u>	<u>2,011,228</u>
NET BOOK VALUE				
At 31 July 2018	<u>3,615,146</u>	<u>32,601</u>	<u>2,716</u>	<u>2,782,639</u>
At 31 July 2017	<u>2,354,540</u>	<u>10,775</u>	<u>3,185</u>	<u>2,079,382</u>
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 August 2017	84,823	319,901	67,968	7,170,450
Additions	-	103,316	33,386	1,715,706
Disposals	-	(138,776)	-	(962,707)
Revaluations	-	-	-	1,237,408
At 31 July 2018	<u>84,823</u>	<u>284,441</u>	<u>101,354</u>	<u>9,160,857</u>
DEPRECIATION				
At 1 August 2017	63,905	131,827	34,501	2,480,109
Charge for year	5,229	45,649	16,920	769,387
Eliminated on disposal	-	(80,388)	-	(726,664)
Revaluation adjustments	-	-	-	(48,052)
At 31 July 2018	<u>69,134</u>	<u>97,088</u>	<u>51,421</u>	<u>2,474,780</u>
NET BOOK VALUE				
At 31 July 2018	<u>15,689</u>	<u>187,353</u>	<u>49,933</u>	<u>6,686,077</u>
At 31 July 2017	<u>20,918</u>	<u>188,074</u>	<u>33,467</u>	<u>4,690,341</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

10. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 July 2018 is represented by:

	Freehold property £	Short leasehold £	Improvements to property £	Plant and machinery £
Valuation in 2018	1,237,408	-	-	-
Cost	<u>2,472,592</u>	<u>150,217</u>	<u>36,155</u>	<u>4,793,867</u>
	<u>3,710,000</u>	<u>150,217</u>	<u>36,155</u>	<u>4,793,867</u>
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2018	-	-	-	1,237,408
Cost	<u>84,823</u>	<u>284,441</u>	<u>101,354</u>	<u>7,923,449</u>
	<u>84,823</u>	<u>284,441</u>	<u>101,354</u>	<u>9,160,857</u>

Freehold property was valued on an open market basis on 16 March 2018 by GVA Grimley Limited .

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

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 August 2017	2,422,130	6,108	244,020	2,672,258
Additions	1,086,244	-	103,119	1,189,363
Disposals	<u>(365,459)</u>	<u>-</u>	<u>(117,400)</u>	<u>(482,859)</u>
At 31 July 2018	<u>3,142,915</u>	<u>6,108</u>	<u>229,739</u>	<u>3,378,762</u>
DEPRECIATION				
At 1 August 2017	856,790	1,717	67,276	925,783
Charge for year	452,618	1,097	43,059	496,774
Eliminated on disposal	<u>(240,592)</u>	<u>-</u>	<u>(60,196)</u>	<u>(300,788)</u>
At 31 July 2018	<u>1,068,816</u>	<u>2,814</u>	<u>50,139</u>	<u>1,121,769</u>
NET BOOK VALUE				
At 31 July 2018	<u>2,074,099</u>	<u>3,294</u>	<u>179,600</u>	<u>2,256,993</u>
At 31 July 2017	<u>1,565,340</u>	<u>4,391</u>	<u>176,744</u>	<u>1,746,475</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

10. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £
COST OR VALUATION	
At 1 August 2017	2,402,592
Revaluations	1,237,408
At 31 July 2018	<u>3,640,000</u>
DEPRECIATION	
At 1 August 2017	48,052
Charge for year	24,854
Revaluation adjustments	(48,052)
At 31 July 2018	<u>24,854</u>
NET BOOK VALUE	
At 31 July 2018	<u>3,615,146</u>
At 31 July 2017	<u>2,354,540</u>

Cost or valuation at 31 July 2018 is represented by:

	Freehold property £
Valuation in 2018	1,237,408
Cost	<u>2,402,592</u>
	<u>3,640,000</u>

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 August 2017	1,505,958
Impairments	(295,863)
At 31 July 2018	<u>1,210,095</u>
NET BOOK VALUE	
At 31 July 2018	<u>1,210,095</u>
At 31 July 2017	<u>1,505,958</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

11. FIXED ASSET INVESTMENTS - continued

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: Unit 4, Andes Road, Nursling Industrial Estate, Southampton, Hampshire, SO16 0YZ, United Kingdom
Nature of business: Road haulage

Class of shares:	% holding	2018 £	2017 £
Ordinary	100.00		
Aggregate capital and reserves		1,832,111	1,306,140
Profit for the year		<u>622,371</u>	<u>428,262</u>

Hutchings and Carter Limited

Registered office: Unit 4, Andes Road, Nursling Industrial Estate, Southampton, Hampshire, SO16 0YZ, United Kingdom
Nature of business: Plant, building and civil engineering contractors.

Class of shares:	% holding	2018 £	2017 £
Ordinary	100.00		
Aggregate capital and reserves		759,584	627,354
Profit for the year		<u>207,230</u>	<u>114,133</u>

Carter Estates Limited

Registered office: Unit 4, Andes Road, Nursling Industrial Estate, Southampton, Hampshire, SO16 0YZ, United Kingdom
Nature of business: Dormant

Class of shares:	% holding	2018 £	2017 £
Ordinary C	100.00		
Aggregate capital and reserves		245	20,903
Loss for the year		<u>(20,658)</u>	<u>-</u>

At the balance sheet date, the value of the investment in the dormant subsidiary Carter Estates Limited has been written down by £295,863 to the value of the net assets on its balance sheet of £245.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

11. FIXED ASSET INVESTMENTS - continued

Waltet Recycling Limited

Registered office: Unit 4, Andes Road, Nursling Industrial Estate, Southampton, Hampshire, SO16 0YZ, United Kingdom

Nature of business: Waste recycling

Class of shares:	% holding	2018	2017
		£	£
Ordinary	100.00		
Aggregate capital and reserves		824,946	1,014,031
(Loss)/profit for the year		(189,185)	191,192

12. STOCKS

	Group	
	2018	2017
	£	£
Stocks	6,000	6,000

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	1,755,794	1,647,374	16,665	9,120
Amounts recoverable on contract	43,281	119,669	-	-
Other debtors	991,942	690,790	-	-
	2,791,017	2,457,833	16,665	9,120

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts (see note 16)	-	141,756	-	98,865
Hire purchase contracts (see note 17)	657,422	449,569	-	-
Trade creditors	1,322,252	1,031,617	-	-
Amounts owed to group undertakings	-	-	1,936,154	1,864,047
Tax	131,828	191,398	10,534	16,673
Social security and other taxes	58,525	44,642	-	-
VAT	235,838	241,751	5,668	8,333
Other creditors	1,597,616	1,272,056	1,037,924	907,353
	4,003,481	3,372,789	2,990,280	2,895,271

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans (see note 16)	-	501,694	-	354,634
Other loans (see note 16)	760,885	470,500	266,239	-
Hire purchase contracts (see note 17)	1,586,447	1,103,955	-	-
	<u>2,347,332</u>	<u>2,076,149</u>	<u>266,239</u>	<u>354,634</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>-</u>	<u>141,756</u>	<u>-</u>	<u>98,865</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	-	145,209	-	101,017
Other loans - 1-2 years	225,160	82,800	98,640	-
	<u>225,160</u>	<u>228,009</u>	<u>98,640</u>	<u>101,017</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	-	356,485	-	253,617
Other loans - 2-5 years	535,725	331,200	167,599	-
	<u>535,725</u>	<u>687,685</u>	<u>167,599</u>	<u>253,617</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Other loans more 5yrs instal	<u>-</u>	<u>56,500</u>	<u>-</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2018	2017
	£	£
Gross obligations repayable:		
Within one year	737,507	545,351
Between one and five years	<u>1,732,155</u>	<u>1,279,773</u>
	<u>2,469,662</u>	<u>1,825,124</u>
Finance charges repayable:		
Within one year	80,085	95,782
Between one and five years	<u>145,708</u>	<u>175,818</u>
	<u>225,793</u>	<u>271,600</u>
Net obligations repayable:		
Within one year	657,422	449,569
Between one and five years	<u>1,586,447</u>	<u>1,103,955</u>
	<u>2,243,869</u>	<u>1,553,524</u>

Group

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	65,806	72,704
Between one and five years	170,000	193,306
In more than five years	<u>160,375</u>	<u>202,875</u>
	<u>396,181</u>	<u>468,885</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2018	2017
	£	£
Bank loans	-	643,450
Hire purchase contracts	<u>2,243,869</u>	<u>1,553,524</u>
	<u>2,243,869</u>	<u>2,196,974</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 in the prior year is provided in note 22.

19. PROVISIONS FOR LIABILITIES

	Group	
	2018	2017
	£	£
Deferred tax	<u>292,051</u>	<u>226,815</u>

Group

	Deferred tax
	£
Balance at 1 August 2017	226,815
Accelerated capital allowances	<u>65,236</u>
Balance at 31 July 2018	<u>292,051</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>

All share classes rank pari passu in all respects, except that the company in a general meeting may from time to time declare dividends on one class of share and not the other classes or of differing amounts for each class of share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

21. RESERVES

Group

	Retained earnings £	Non-distributable profit and loss reserve £	Totals £
At 1 August 2017	2,633,706	-	2,633,706
Profit for the year	558,130		558,130
Dividends	(171,400)		(171,400)
Revaluation of fixed assets	-	1,285,460	1,285,460
At 31 July 2018	<u>3,020,436</u>	<u>1,285,460</u>	<u>4,305,896</u>

Company

	Retained earnings £	Non-distributable profit and loss reserve £	Totals £
At 1 August 2017	644,309	-	644,309
Deficit for the year	(113,164)		(113,164)
Dividends	(171,400)		(171,400)
Revaluation of fixed assets	-	1,285,460	1,285,460
At 31 July 2018	<u>359,745</u>	<u>1,285,460</u>	<u>1,645,205</u>

22. CONTINGENT LIABILITIES

During the year, the company entered into a cross guarantee with all other companies in the group, for the borrowing of Waltet Property LLP, an entity under common control. At the balance sheet date, the total borrowing outstanding was £2.99 million.

23. RELATED PARTY DISCLOSURES

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

	2018 £	2017 £
Purchases	631,429	914,460
Amount due to related party	<u>1,501,433</u>	<u>1,291,305</u>

Other related parties

	2018 £	2017 £
Net loan repayments	42,739	34,330
Amount due to related party	<u>3,368</u>	<u>46,107</u>

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