Company Registration No. 03019120 (England and Wales)

J.P.E. (HOLDINGS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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J.P.E. (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	J Price	
	S Birch	
	M C Birch	(Appointed 16 October 2017)
	V J Cox	(Appointed 16 October 2017)
	S H Price	(Appointed 16 October 2017)
Secretary	M C Birch	
Company number	03019120	
Registered office	The Lodge Warstone Road Essington Wolverhampton WV11 2AR	
Auditor	Baldwins Audit Services International House 20 Hatherton Street Walsall WS4 2LA	

J.P.E. (HOLDINGS) LIMITED

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J.P.E. (HOLDINGS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The directors present the strategic report for the year ended 31 August 2018.

Fair review of the business
The group has reported profits after tax and minority interest of £629,305 (2017 £619,763). There are no major property development sales in the current year. Profits after tax for the holding company J.P.E (Holdings) Limited are at £549,160 (2017 £675,491). The group's equity attributable to owners of the parent company has increased to £8,468,278 (2017 £7,838,973).

Development and performance
The Directors are very pleased with the financial position at the end of the year.

Following significant investment over the last 3 years the business has now had planning permission granted to extend its operations at Shire Oak Quarry until 2028 and has had planning permission granted for Shipley Quarry until 2033, this gives the business a significant strategic advantage for the foreseeable future.

This year will be a difficult year due to the change over from Seisdon to Shipley and opening up the extension area at Shire Oak, the business expects to return similar profits to 2018 but the market is very strong and with continued investment the business expects to see an increase in Turnover and Profitability for 2020.

On behalf of the board

J Price
Director
23 May 2019

J.P.E. (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The directors present their annual report and financial statements for the year ended 31 August 2018.

Principal activities
The principal activity of the group continued to be that of quarrying.

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

J Price	
S Birch	
M C Birch	(Appointed 16 October 2017)
V J Cox	(Appointed 16 October 2017)
S H Price	(Appointed 16 October 2017)

Results and dividends
The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor
Baldwins Audit Services Limited were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board

J Price
Director
23 May 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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 group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF J.P.E. (HOLDINGS) LIMITED

Opinion
We have audited the financial statements of J.P.E. (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows 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 the financial statements:
- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 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 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 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 or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The directors are responsible for the other information. The other information comprises the information 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 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 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 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.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF J.P.E. (HOLDINGS) LIMITED

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.

Baldwins Audit Services

Mr S N Southall FCCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

23 May 2019

Accountants
Statutory Auditor

International House
20 Hatherton Street
Walsall
WS4 2LA

J.P.E. (HOLDINGS) LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	2017 £
Turnover	3	15,816,019	14,644,901
Cost of sales		(12,595,756)	(11,668,627)
Gross profit		3,220,263	2,976,274
Administrative expenses		(2,330,105)	(2,399,598)
Operating profit	4	890,158	576,676
Interest receivable and similar income	8	30,002	30,041
Interest payable and similar expenses	9	(110,298)	(99,289)
Profit before taxation		809,862	507,428
Tax on profit	10	(195,932)	56,607
Profit for the financial year		613,930	564,035
Profit for the financial year is attributable to:			
- Owners of the parent company		640,645	619,763
- Non-controlling interests		(26,715)	(55,728)
		613,930	564,035

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

J.P.E. (HOLDINGS) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2018

	2018	2017
	£	£
Profit for the year	613,930	564,035
Other comprehensive income	-	-
Total comprehensive income for the year	613,930	564,035
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	640,645	619,763
- Non-controlling interests	(26,715)	(55,728)
	613,930	564,035

J.P.E. (HOLDINGS) LIMITED

GROUP BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	12		8,519,005		8,577,802
Investments	13		50		-
			8,519,055		8,577,802
Current assets					
Stocks	16	3,968,193		3,775,491	
Debtors	17	6,416,797		5,396,663	
Cash at bank and in hand		843,495		1,076,041	
		11,228,485		10,248,195	
Creditors: amounts falling due within one year	18	(6,561,170)		(6,017,377)	
Net current assets			4,667,315		4,230,818
Total assets less current liabilities			13,186,370		12,808,620
Creditors: amounts falling due after more than one year	19		(1,372,173)		(1,615,002)
Provisions for liabilities	22		(86,721)		(80,072)
Net assets			11,727,476		11,113,546
Capital and reserves					
Called up share capital	24		100		100
Profit and loss reserves			8,479,518		7,838,873
Equity attributable to owners of the parent company			8,479,618		7,838,973
Non-controlling interests			3,247,858		3,274,573
			11,727,476		11,113,546

The financial statements were approved by the board of directors and authorised for issue on 23 May 2019 and are signed on its behalf by:

J Price
Director

S Birch
Director

J.P.E. (HOLDINGS) LIMITED

COMPANY BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		6,612,114		6,670,911
Investments	13		200		150
			6,612,314		6,671,061
Current assets					
Stocks	16	3,851,133		3,658,431	
Debtors	17	5,414,248		4,586,260	
Cash at bank and in hand		313,567		410,162	
		9,578,948		8,654,853	
Creditors: amounts falling due within one year	18	(6,607,318)		(6,066,290)	
Net current assets			2,971,630		2,588,563
Total assets less current liabilities			9,583,944		9,259,624
Creditors: amounts falling due after more than one year	19		(4,372,173)		(4,615,002)
Provisions for liabilities	22		(86,721)		(80,072)
Net assets			5,125,050		4,564,550
Capital and reserves					
Called up share capital	24		100		100
Profit and loss reserves			5,124,950		4,564,450
Total equity			5,125,050		4,564,550

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £560,500 (2017 - £675,491 profit).

The financial statements were approved by the board of directors and authorised for issue on 23 May 2019 and are signed on its behalf by:

J Price
Director

S Birch
Director

Company Registration No. 03019120

J.P.E. (HOLDINGS) LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2018

	Share capital	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	£	£	£	£	£
Balance at 1 September 2016	100	7,219,110	7,219,210	3,330,301	10,549,511
Year ended 31 August 2017:					
Profit and total comprehensive income for the year	-	619,763	619,763	(55,728)	564,035
Balance at 31 August 2017	100	7,838,873	7,838,973	3,274,573	11,113,546
Year ended 31 August 2018:					
Profit and total comprehensive income for the year	-	640,645	640,645	(26,715)	613,930
Balance at 31 August 2018	100	8,479,518	8,479,618	3,247,858	11,727,476

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2018

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 September 2016	100	3,888,959	3,889,059
Year ended 31 August 2017:			
Profit and total comprehensive income for the year	-	675,491	675,491
Balance at 31 August 2017	100	4,564,450	4,564,550
Year ended 31 August 2018:			
Profit and total comprehensive income for the year	-	560,500	560,500
Balance at 31 August 2018	100	5,124,950	5,125,050

J.P.E. (HOLDINGS) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities					
Cash generated from operations	**27**		667,651		1,122,940
Interest paid			(110,298)		(99,289)
Income taxes paid			(14,891)		(171,480)
Net cash inflow from operating activities			542,462		852,171
Investing activities					
Purchase of tangible fixed assets		(787,448)		(1,597,775)	
Proceeds on disposal of tangible fixed assets		301,245		69,843	
Proceeds on disposal of subsidiaries		(50)		-	
Interest received		30,002		30,041	
Net cash used in investing activities			(456,251)		(1,497,891)
Financing activities					
Repayment of bank loans		(161,239)		420,550	
Payment of finance leases obligations		(157,518)		168,404	
Net cash (used in)/generated from financing activities			(318,757)		588,954
Net decrease in cash and cash equivalents			(232,546)		(56,766)
Cash and cash equivalents at beginning of year			1,076,041		1,132,807
Cash and cash equivalents at end of year			843,495		1,076,041

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities					
Cash generated from operations	**28**		864,306		1,387,653
Interest paid			(155,086)		(144,289)
Income taxes paid			(807)		(158,603)
Net cash inflow from operating activities			708,413		1,084,761
Investing activities					
Purchase of tangible fixed assets		(787,448)		(1,597,775)	
Proceeds on disposal of tangible fixed assets		301,245		69,843	
Proceeds on disposal of subsidiaries		(50)		-	
Interest received		2		41	
Net cash used in investing activities			(486,251)		(1,527,891)
Financing activities					
Repayment of bank loans		(161,239)		420,550	
Payment of finance leases obligations		(157,518)		168,404	
Net cash (used in)/generated from financing activities			(318,757)		588,954
Net (decrease)/increase in cash and cash equivalents			(96,595)		145,824
Cash and cash equivalents at beginning of year			410,162		264,338
Cash and cash equivalents at end of year			313,567		410,162

1 Accounting policies

Company information

J.P.E. (Holdings) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is The Lodge, Warstone Road, Essington, Wolverhampton, WV11 2AR.

The group consists of J.P.E. (Holdings) Limited and all of its subsidiaries.

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 amounts 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 freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of J.P.E. (Holdings) Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 August 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

1 Accounting policies **(Continued)**

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 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.

1.5 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.

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:

Land and buildings Freehold	No depreciation charged
Land and buildings Leasehold	Over the period of the lease
Plant and machinery	25% - Reducing balance
Fixtures, fittings & equipment	25% - Reducing balance
Motor vehicles	25% - Reducing balance

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 recognised in the profit and loss account.

It is the company's policy to maintain its freehold buildings to a high standard through a continuing programme of refurbishment and maintenance and consequently the useful economic life of the property and its residual value is such that any depreciation would be immaterial. In accordance with FRS102 directors carry out a review for impairment when events or changes in circumstances indicate that the carrying amount of the fixed assets may not be recoverable. In the opinion of the directors the residual value of the buildings will at least equal their book value. No provision has therefore been made, contrary to FRS102.

1 Accounting policies **(Continued)**

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

1 Accounting policies **(Continued)**

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.

1.8 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.

1.9 Cash at bank and in hand

Cash at bank and in hand 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.

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

Financial assets and liabilities are offset and 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 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group 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 group.

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.13 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 group'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 if, and only if, there is 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.

1.14 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 Accounting policies **(Continued)**

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 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 the profit and loss account 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 income 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 lease asset are consumed.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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 group's turnover is as follows:

	2018	2017
	£	£
Turnover analysed by class of business		
Quarrying and associated activities	12,215,598	11,765,485
Phosphate sales	3,358,799	2,655,481
Other property income	241,623	223,935
	15,816,019	14,644,901
Analysis per statutory database	**15,816,020**	**14,644,901**
Statutory database analysis does not agree to the trial balance by:	**1**	**-**

3 Turnover and other revenue (Continued)

	2018	2017
	£	£
Other significant revenue		
Interest income	30,002	30,041

	2018	2017
	£	£
Turnover analysed by geographical market		
United Kingdom	15,816,019	14,644,901

4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	7,446	19,414
Depreciation of owned tangible fixed assets	565,033	576,018
(Profit)/loss on disposal of tangible fixed assets	(20,030)	426
Cost of stocks recognised as an expense	7,133,902	6,887,270
Operating lease charges	1,165,222	1,314,136

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £7,446 (2017 - £19,414).

5 Auditor's remuneration

	2018	2017
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	9,450	8,000

6 Employees

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Production staff	76	59	75	58
Administrative staff	24	11	24	11
	100	70	99	69

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	2,639,168	2,403,358	2,639,168	2,403,358
Social security costs	213,685	213,945	213,685	213,945
Pension costs	33,696	31,555	33,696	31,555
	2,886,549	2,648,858	2,886,549	2,648,858

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	99,333	-
Company pension contributions to defined contribution schemes	1,014	-
	100,347	-

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	2	41
Other interest income	30,000	30,000
Total income	30,002	30,041

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	2	41

9 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	41,035	29,203
Interest on finance leases and hire purchase contracts	38,558	46,023
Other interest on financial liabilities	30,705	24,063
	110,298	99,289

10 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	189,283	144,218
Adjustments in respect of prior periods	-	(76,397)
Total current tax	189,283	67,821
Deferred tax		
Origination and reversal of timing differences	6,649	(124,428)
Total tax charge/(credit)	195,932	(56,607)

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

	2018	2017
	£	£
Profit before taxation	809,862	507,428
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.58%)	153,874	99,354
Tax effect of expenses that are not deductible in determining taxable profit	20,259	5,338
Unutilised tax losses carried forward	665	33,149
Permanent capital allowances in excess of depreciation	14,485	6,377
Under/(over) provided in prior years	-	(76,397)
Deferred tax movement	6,649	(124,428)
Taxation charge/(credit)	195,932	(56,607)

11 Intangible fixed assets

Group	**Goodwill**
	£
Cost	
At 1 September 2017 and 31 August 2018	45,000
Amortisation and impairment	
At 1 September 2017 and 31 August 2018	45,000
Carrying amount	
At 31 August 2018	-
At 31 August 2017	-

Company	**Goodwill**
	£
Cost	
At 1 September 2017 and 31 August 2018	45,000
Amortisation and impairment	
At 1 September 2017 and 31 August 2018	45,000
Carrying amount	
At 31 August 2018	-
At 31 August 2017	-

12 Tangible fixed assets

Group	Land and buildings Freehold	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2017	5,190,172	1,702,725	3,538,415	71,552	591,679	11,094,543
Additions	176,090	174,968	433,480	2,910	-	787,448
Disposals	-	-	(504,000)	-	-	(504,000)
At 31 August 2018	5,366,262	1,877,693	3,467,895	74,462	591,679	11,377,991
Depreciation and impairment						
At 1 September 2017	-	412,598	1,741,815	48,241	314,084	2,516,738
Depreciation charged in the year	-	108,409	381,288	5,937	69,399	565,033
Eliminated in respect of disposals	-	-	(222,785)	-	-	(222,785)
At 31 August 2018	-	521,007	1,900,318	54,178	383,483	2,858,986
Carrying amount						
At 31 August 2018	5,366,262	1,356,686	1,567,577	20,284	208,196	8,519,005
At 31 August 2017	5,190,171	1,290,127	1,796,599	23,311	277,594	8,577,802

12 Tangible fixed assets

(Continued)

Company	Land and buildings Freehold	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2017	3,283,281	1,702,725	3,538,415	71,552	591,679	9,187,652
Additions	176,090	174,968	433,480	2,910	-	787,448
Disposals	-	-	(504,000)	-	-	(504,000)
At 31 August 2018	3,459,371	1,877,693	3,467,895	74,462	591,679	9,471,100
Depreciation and impairment						
At 1 September 2017	-	412,598	1,741,815	48,241	314,084	2,516,738
Depreciation charged in the year	-	108,409	381,288	5,937	69,399	565,033
Eliminated in respect of disposals	-	-	(222,785)	-	-	(222,785)
At 31 August 2018	-	521,007	1,900,318	54,178	383,483	2,858,986
Carrying amount						
At 31 August 2018	3,459,371	1,356,686	1,567,577	20,284	208,196	6,612,114
At 31 August 2017	3,283,280	1,290,127	1,796,599	23,311	277,594	6,670,911

13 Fixed asset investments

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Investments in subsidiaries	14	50	-	200	150

Movements in fixed asset investments
Group

	Shares in group undertakings
	£
Cost or valuation	
At 1 September 2017	-
Additions	50
At 31 August 2018	50
Carrying amount	
At 31 August 2018	50
At 31 August 2017	-

Movements in fixed asset investments
Company

	Shares in group undertakings
	£
Cost or valuation	
At 1 September 2017	150
Additions	50
At 31 August 2018	200
Carrying amount	
At 31 August 2018	200
At 31 August 2017	150

14 Subsidiaries

Details of the company's subsidiaries at 31 August 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Transforma Solutions Limited	England & Wales	Property Development	Ordinary share capital	50.00	-
Prees Developments Limited	England & Wales	Letting and operating of own or leased real estate	Ordinary share capital	50.00	

15 Financial instruments

	Group 2018	2017	Company 2018	2017
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	6,339,253	4,803,746	4,950,119	4,403,822
Carrying amount of financial liabilities				
Measured at amortised cost	7,203,780	7,218,068	10,263,317	10,287,239

16 Stocks

	Group 2018	2017	Company 2018	2017
	£	£	£	£
Raw materials and consumables	3,968,193	3,775,491	3,851,133	3,658,431

17 Debtors

	Group 2018	2017	Company 2018	2017
Amounts falling due within one year:	£	£	£	£
Trade debtors	3,833,629	3,312,281	3,833,200	3,306,665
Amounts owed by undertakings in which the company has a participating interest	867,397	818,054	-	-
Other debtors	795,089	673,411	803,302	686,995
Prepayments and accrued income	920,682	592,917	777,746	592,600
	6,416,797	5,396,663	5,414,248	4,586,260

18 Creditors: amounts falling due within one year

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Bank loans and overdrafts	20	40,295	-	40,295	-
Obligations under finance leases	21	315,502	431,725	315,502	431,725
Trade creditors		2,852,039	2,306,140	2,752,061	2,212,566
Corporation tax payable		318,610	144,218	305,221	130,134
Other taxation and social security		410,953	270,093	410,953	263,919
Other creditors		2,120,968	2,369,011	2,108,469	2,369,011
Accruals and deferred income		502,803	496,190	674,817	658,935
		6,561,170	6,017,377	6,607,318	6,066,290

19 Creditors: amounts falling due after more than one year

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Bank loans and overdrafts	20	703,643	905,177	703,643	905,177
Obligations under finance leases	21	668,530	709,825	668,530	709,825
Amounts owed to group undertakings		-	-	3,000,000	3,000,000
		1,372,173	1,615,002	4,372,173	4,615,002

20 Loans and overdrafts

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	743,938	905,177	743,938	905,177
Payable within one year	40,295	-	40,295	-
Payable after one year	703,643	905,177	703,643	905,177

The long-term loans are secured by fixed legal charges over commercial freehold property

21 Finance lease obligations

	Group 2018 £	2017 £	Company 2018 £	2017 £
Future minimum lease payments due under finance leases:				
Within one year	315,502	431,725	315,502	431,725
In two to five years	668,530	709,825	668,530	709,825
	984,032	1,141,550	984,032	1,141,550

Finance lease payments represent rentals payable by the company or group 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. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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:

Group	Liabilities 2018 £	Liabilities 2017 £
Accelerated capital allowances	86,721	80,072

Company	Liabilities 2018 £	Liabilities 2017 £
Accelerated capital allowances	86,721	80,072

Movements in the year:	Group 2018 £	Company 2018 £
Liability at 1 September 2017	80,072	80,072
Charge to profit or loss	6,649	6,649
Liability at 31 August 2018	86,721	86,721

23 Retirement benefit schemes

	2018	2017
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	33,696	31,555

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

	Group and company	
	2018	2017
Ordinary share capital	£	£
Issued and fully paid		
100 of £1 each	100	100

25 Operating lease commitments

Lessee

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Within one year	366,740	7,019	366,740	7,019
Between two and five years	1,747,179	3,218,180	1,747,179	3,218,180
	2,113,919	3,225,199	2,113,919	3,225,199

26 Related party transactions

Transactions with related parties

During the year the group made purchases from J P Enterprises of £171,600 and had a balance at the year end of £168,561 Cr, The group also made purchases from S J Birch & Associates Ltd of £180,503 and had a balance at the year end of £8,744 Cr.

The following loans were made to the group from related parties;

J P Enterprises £11,488 (2017 £112,228 owed to the group)

The following loans were made by the group to related parties;

J and R Plant Hire Limited £68,588 (2017 £68,588)

Black Country Reclamation Limited £403,673 (2017 £368,673)

RT Bishop Limited £321,000 (201 £245,880)

Prees Developments Limited £8,620 (201 £13,584)

The company had a loan with the subsidiary company Transforma Solutions Limited for £3,000,000, there are no formal repayment terms. Interest is chargeable at 1.5% per annum. Interest charged on the loan during the year amounted to £44,877 (2017 £45,000).

27 Cash generated from group operations

	2018	2017
	£	£
Profit for the year after tax	613,927	564,035
Adjustments for:		
Taxation charged/(credited)	195,932	(56,607)
Finance costs	110,298	99,289
Investment income	(30,002)	(30,041)
(Gain)/loss on disposal of tangible fixed assets	(20,030)	426
Depreciation and impairment of tangible fixed assets	565,033	576,020
Movements in working capital:		
(Increase) in stocks	(192,702)	(513,223)
(Increase) in debtors	(1,019,727)	(632,516)
Increase in creditors	444,922	1,115,557
Cash generated from operations	667,651	1,122,940

28 Cash generated from operations - company

	2018	2017
	£	£
Profit for the year after tax	560,497	675,491
Adjustments for:		
Taxation charged/(credited)	182,543	(70,691)
Finance costs	155,086	144,289
Investment income	(2)	(41)
(Gain)/loss on disposal of tangible fixed assets	(20,030)	426
Depreciation and impairment of tangible fixed assets	565,033	576,020
Movements in working capital:		
(Increase) in stocks	(192,702)	(513,223)
(Increase) in debtors	(827,988)	(675,436)
Increase in creditors	441,869	1,250,818
Cash generated from operations	864,306	1,387,653