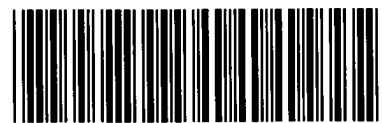

LANE 4 MANAGEMENT GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

FRIDAY



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COMPANIES HOUSE

LANE 4 MANAGEMENT GROUP LIMITED

COMPANY INFORMATION

Directors

D G Mahony MBE
A B J Swain
A D Moorhouse MBE
E Campbell
H J Warhurst
L E Pelling

Registered number

02776199

Registered office

St Marks House
Station Road
Bourne End
Buckinghamshire
SL8 5QF

Independent auditors

Barnes Roffe LLP
Chartered Accountants & Statutory Auditors
3 Brook Business Centre
Cowley Mill Road
Uxbridge
Middlesex
UB8 2FX

LANE 4 MANAGEMENT GROUP LIMITED

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LANE 4 MANAGEMENT GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

The principal activity of the company continues to be that of the provision of management development services.

Business review and future developments

The board of directors are pleased to be able to report a successful year for the company: our fourth consecutive year of strong revenue and profit growth. Revenue grew by 19% from 2016, and our profit before tax increased by 37%. This excellent revenue and profit performance was supported by improved net current assets and a significantly increased cash balance as shown on the Statement of financial position. The financial strength of the company has been maintained by the work and financial care of absolutely everyone across the team.

In 2017 we were also proud to have been awarded the Brandon Hall Group Gold Award for Excellence in Talent Management in the category of Best Advance in High Potential Development, Bronze in the prestigious Best Leadership Development category at the TJ Awards 2017, the 2017 CIPD People Management Award for Best HR/L&D Supplier, and the Personnel Today Award for Excellence in Learning & Development.

We were also awarded a 3-star accreditation by Best Companies and were included in the Top 100 Small Best Companies to work for.

Our growth means that we will be moving to our new offices in Maidenhead in the Summer of 2018.

The directors would like to thank the whole team for their hard work and care, and look forward to our future.

Principal risks and uncertainties

Financial instruments and management policies

The company's primary financial instruments are trade debtors, trade creditors and bank loans. The main purpose of these instruments is to finance the company's operations and working capital.

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on bank balances and loans.

Credit risk

The company trades only with recognised, creditworthy third parties. It is the company's policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

Financial key performance indicators

The key performance indicators of the company are revenue, consultant utilisation, gross margin and net margin.

This report was approved by the board on 11/06/18

and signed on its behalf.



H J Warhurst
Director

LANE 4 MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

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

Results and dividends

The profit for the year, after taxation, amounted to £1,512,856 (2016 - £1,094,034).

The directors have declared and paid interim dividends of £936,002 (2016 - £601,900) but do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

D G Mahony MBE
A B J Swain
A D Moorhouse MBE
E Campbell
H J Warhurst
L E Pelling

Matters covered in the strategic report

The company has chosen, in accordance with section 414C of the Company's Act 2006, to set out the following information which would otherwise be required to be contained in the director's report within strategic report:

Likely financial risk management objective and policies; and future developments in the business of the group.

LANE 4 MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 11/06/18 and signed on its behalf.



H J Warhurst
Director

LANE 4 MANAGEMENT GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LANE 4 MANAGEMENT GROUP LIMITED

Opinion

We have audited the financial statements of Lane 4 Management Group Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

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 Auditors' 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

LANE 4 MANAGEMENT GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LANE 4 MANAGEMENT GROUP LIMITED (CONTINUED)

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 Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

LANE 4 MANAGEMENT GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LANE 4 MANAGEMENT GROUP
LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 an Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Barnes Roffe LLP

Gary Allen FCA (Senior statutory auditor)
for and on behalf of
Barnes Roffe LLP
Chartered Accountants & Statutory Auditors
3 Brook Business Centre
Cowley Mill Road
Uxbridge
Middlesex
UB8 2FX
Date: 18/6/18

LANE 4 MANAGEMENT GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	4	15,500,247	13,061,250
Cost of sales		(8,710,333)	(8,215,864)
Gross profit		6,789,914	4,845,386
Administrative expenses		(4,879,209)	(3,457,067)
Operating profit	5	1,910,705	1,388,319
Interest receivable and similar income	9	500	789
Interest payable and expenses	10	(27,794)	(15,155)
Profit before tax		1,883,411	1,373,953
Tax on profit	11	(370,555)	(279,919)
Profit for the financial year		1,512,856	1,094,034
Unrealised surplus on revaluation of tangible fixed assets		95,104	-
Total comprehensive income for the year		1,607,960	1,094,034

The notes on pages 11 to 27 form part of these financial statements.

LANE 4 MANAGEMENT GROUP LIMITED
REGISTERED NUMBER: 02776199

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	1,450,791	1,393,390
Current assets			
Debtors: amounts falling due within one year	14	6,738,286	6,844,534
Cash at bank and in hand	15	2,002,463	1,006,957
		<u>8,740,749</u>	<u>7,851,491</u>
Creditors: amounts falling due within one year	16	(4,163,869)	(3,984,833)
Net current assets		<u>4,576,880</u>	<u>3,866,658</u>
Total assets less current liabilities		<u>6,027,671</u>	<u>5,260,048</u>
Creditors: amounts falling due after more than one year	17	(442,256)	(346,591)
Provisions for liabilities			
Deferred tax	20	(8,451)	(8,451)
Net assets		<u><u>5,576,964</u></u>	<u><u>4,905,006</u></u>
Capital and reserves			
Called up share capital	21	130,041	130,041
Share premium account	22	43,992	43,992
Revaluation reserve	22	281,495	188,484
Other reserves	22	51,000	51,000
Profit and loss account	22	5,070,436	4,491,489
		<u><u>5,576,964</u></u>	<u><u>4,905,006</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

11/06/18



H J Warhurst
Director

The notes on pages 11 to 27 form part of these financial statements.

LANE 4 MANAGEMENT GROUP LIMITED

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

	Called up share capital £	Share premium account £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2017	130,041	43,992	188,484	51,000	4,491,489	4,905,006
Profit for the year	-	-	-	-	1,512,856	1,512,856
Surplus on revaluation of freehold property	-	-	95,104	-	-	95,104
Total comprehensive income for the year	-	-	95,104	-	1,512,856	1,607,960
Dividends	-	-	-	-	(936,002)	(936,002)
Transfer to profit and loss account	-	-	(2,093)	-	2,093	-
Total transactions with owners	-	-	(2,093)	-	(933,909)	(936,002)
At 31 December 2017	130,041	43,992	281,495	51,000	5,070,436	5,576,964

The notes on pages 11 to 27 form part of these financial statements.

LANE 4 MANAGEMENT GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Share premium account £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2016	130,041	43,992	190,577	51,000	3,997,262	4,412,872
Profit for the year	-	-	-	-	1,094,034	1,094,034
Total comprehensive income for the year	-	-	-	-	1,094,034	1,094,034
Dividends	-	-	-	-	(601,900)	(601,900)
Transfer to profit and loss account	-	-	(2,093)	-	2,093	-
Total transactions with owners	-	-	(2,093)	-	(599,807)	(601,900)
At 31 December 2016	130,041	43,992	188,484	51,000	4,491,489	4,905,006

The notes on pages 11 to 27 form part of these financial statements.

LANE 4 MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Lane 4 Management Group Limited is a company limited by shares, incorporated in England and Wales. The address of the registered office is St Marks House, Station Road, Bourne End, Buckinghamshire, SL8 5QF.

The principal activity of the company is the provision of management development services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of its parent undertaking, Lane 4 Management Group Holdings Limited, as at 31 December 2017 and these financial statements may be obtained from Companies House.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the year in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the reporting date can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue is recognised when services are provided. Amounts invoiced in advance are included within deferred income. Work carried out but not yet invoiced is included in accrued income.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using either the straight-line or reducing balance bases.

- Depreciation is provided on the following bases:

Freehold property	- Straight line over 50 years
Plant and machinery	- 20% reducing balance
Fixtures and fittings	- 20% reducing balance
Computer equipment	- 50% reducing balance
Computer software	- 33% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.5 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.15 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

LANE 4 MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements in applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements:

1. Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

1. Tangible assets are depreciated over their useful lives taking account of residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycle and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the assets and projected disposal values.

2. Provisions for debtor balances are based on the company's assessment at the year end. This assessment is based on the company's knowledge of the client and publicly available information.

4. Turnover

The whole of the turnover is attributable to the company's principal activity of management development services.

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	13,950,222	12,107,250
Rest of the world	1,550,025	954,000
	<u>15,500,247</u>	<u>13,061,250</u>

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	37,703	40,906
Exchange differences	(97,817)	(95,375)
Operating lease rentals- plant and machinery	68,871	80,182
Defined contribution pension cost	<u>202,602</u>	<u>170,115</u>

LANE 4 MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>11,000</u>	<u>9,140</u>
Fees payable to the Company's auditor in respect of:		
All other services	<u>666</u>	<u>11,010</u>
	<u><u>666</u></u>	<u><u>11,010</u></u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	8,172,785	6,820,367
Social security costs	808,003	705,282
Cost of defined contribution scheme	202,602	170,115
	<u><u>9,183,390</u></u>	<u><u>7,695,764</u></u>

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

	2017 No.	2016 No.
Administrative staff	138	118
Management staff	6	6
	<u><u>144</u></u>	<u><u>124</u></u>

LANE 4 MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	1,073,785	893,741
Company contributions to defined contribution pension schemes	67,311	37,426
	<u>1,141,096</u>	<u>931,167</u>

During the year retirement benefits were accruing to 6 directors (2016 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £215,989 (2016 - £182,346).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,000 (2016 - £12,000).

9. Interest receivable

	2017 £	2016 £
Bank interest receivable	500	789
	<u>500</u>	<u>789</u>

10. Interest payable and similar expenses

	2017 £	2016 £
Loan interest payable	27,794	15,155
	<u>27,794</u>	<u>15,155</u>

11. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	370,555	279,923
Adjustments in respect of previous periods	-	(4)
Total current tax	<u>370,555</u>	<u>279,919</u>

LANE 4 MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - *higher than*) the standard rate of corporation tax in the UK of 19% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>1,883,411</u>	<u>1,373,953</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2016 - 20%)	357,848	274,791
Effects of:		
Deduction on exercise of group share options	-	(10,776)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16,791	12,787
Capital allowances for year in excess of depreciation	(7,777)	2,005
Adjustments to tax charge in respect of prior periods	-	(4)
Other timing differences leading to an increase in taxation	3,693	1,116
Total tax charge for the year	<u><u>370,555</u></u>	<u><u>279,919</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2017 £	2016 £
Dividends	<u>936,002</u>	601,900
	<u><u>936,002</u></u>	<u><u>601,900</u></u>

LANE 4 MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment and software £	Total £
Cost or valuation					
At 1 January 2017	1,503,920	75,881	189,383	273,376	2,042,560
Revaluations	(103,920)	-	-	-	(103,920)
At 31 December 2017	1,400,000	75,881	189,383	273,376	1,938,640
Depreciation					
At 1 January 2017	174,146	63,841	138,147	273,036	649,170
Charge for the year on owned assets	24,878	2,408	10,247	170	37,703
On revalued assets	(199,024)	-	-	-	(199,024)
At 31 December 2017	-	66,249	148,394	273,206	487,849
Net book value					
At 31 December 2017	1,400,000	9,632	40,989	170	1,450,791
At 31 December 2016	1,329,774	12,040	51,236	340	1,393,390

Freehold land and buildings have been revalued by the directors as at the year end at £1,400,000. The valuation is based on the directors assessment of the market value, taking into account the condition of the property, the value of similar properties in the same area and the advice of local estate agents.

No depreciation is charged on the value of the freehold land of £255,000 (2016 - £255,000).

	2017 £
Revaluation history	
At cost less accumulated depreciation	1,653,014
At valuation:	
Valuation in 2005	250,906
Valuation in 2009	(400,000)
Valuation in 2017	(103,920)
	<u>1,400,000</u>

LANE 4 MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2016 £
Historical cost		
Cost	1,653,014	1,653,014
Accumulated depreciation	(581,305)	(548,245)
	<u>1,071,709</u>	<u>1,104,769</u>

14. Debtors

	2017 £	2016 £
Trade debtors	2,972,486	3,061,920
Amounts owed by group undertakings	1,490,339	1,856,862
Other debtors	509,336	225,172
Prepayments and accrued income	1,766,125	1,700,580
	<u>6,738,286</u>	<u>6,844,534</u>

15. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	2,002,463	1,006,957
	<u>2,002,463</u>	<u>1,006,957</u>

LANE 4 MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

16. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	281,589	262,826
Trade creditors	565,434	555,843
Corporation tax	274,869	254,746
Other taxation and social security	924,125	845,822
Other creditors	176,267	73,998
Accruals and deferred income	1,941,585	1,991,598
	<u>4,163,869</u>	<u>3,984,833</u>

Secured loans

See note 18 for details of security held against creditor balances.

17. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	442,256	346,591
	<u>442,256</u>	<u>346,591</u>

Secured loans

See note 18 for details of security held against creditor balances.

LANE 4 MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

18. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	281,589	262,826
	<u>281,589</u>	<u>262,826</u>
Amounts falling due 1-2 years		
Bank loans	178,323	195,292
	<u>178,323</u>	<u>195,292</u>
Amounts falling due 2-5 years		
Bank loans	263,933	151,299
	<u>263,933</u>	<u>151,299</u>
	<u>723,845</u>	<u>609,417</u>

Secured loans

Bank loans are secured by a fixed and floating legal charge over the freehold property and current and future assets of the company in favour of Lloyds Bank plc.

A total of £78,440 (2016 - £155,768) is repayable by instalments of £6,604 per month, with interest charges at 1.15% above Lloyds Bank plc base rate.

A total of £34,671 (2016 - £137,618) is repayable by instalments of £8,712 per month, with interest charges at 1.15% above Lloyds Bank plc base rate.

A total of £84,703 (2016- £124,662) is repayable by instalments of £3,674 per month, with interest charges at 2.10% above Lloyds Bank plc base rate.

A total of £152,145 (2016 - £191,369) is repayable by instalments of £3,766 per month, with interest charges at 3.44% above Lloyds Bank plc base rate.

LANE 4 MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

19. Financial instruments

	2017 £	2016 £
Financial assets		
Cash and cash equivalents	2,002,463	1,006,957
Financial assets that are debt instruments measured at amortised cost	4,972,161	5,143,954
	<u>6,974,624</u>	<u>6,150,911</u>
Financial liabilities		
Financial liabilities measured at amortised cost	1,465,546	1,239,258
	<u>1,465,546</u>	<u>1,239,258</u>

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors, and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors and other creditors.

20. Deferred taxation

	2017 £	2016 £
At beginning of year	8,451	8,451
At end of year	<u>8,451</u>	<u>8,451</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	8,451	8,451
	<u>8,451</u>	<u>8,451</u>

LANE 4 MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

21. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
129,778 Ordinary A shares of £1 each	129,778	129,778
26,300 Ordinary B shares of £0.01 each	263	263
	<u>130,041</u>	<u>130,041</u>

Respective rights of 'A' and 'B' shares

Dividend

No dividend shall be declared and paid on 'A' shares unless unanimously agreed by Members. The company may, by Ordinary Resolution, declare dividends on 'B' shares as a class independently and exclusively of dividends declared in respect of other class of shares, but no such dividends shall exceed the amount recommended by the Directors.

Voting

Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles -

a) the 'A' Shares shall not confer any rights to receive notice of, attend or vote at any general meeting of the Company, except where the resolution(s) proposed to be passed at such meetings relate(s) to the variation of any rights attaching to the 'A' Share, and

b) on a show of hands every holder of the 'B' Shares who is present in person shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every 'B' share held by him.

Return of capital on liquidation

On return of capital upon liquidation or otherwise, the surplus assets of the company remaining after payment of its liabilities shall be applied as follows -

a) first, in payment of any dividends to members, declared before the winding up but unpaid,

b) secondly, they shall be distributed amongst the holders of the 'A' Shares to the extent required for the return of the capital on the 'A' shares,

c) thirdly, the balance (if any) of the first £1,900,000 shall belong to and be distributed amongst the holders of the 'A' shares between them pro rata to their respective holdings of 'A' shares.

d) fourthly, the balance (if any) of such surplus assets shall belong to and be distributed amongst the holders of the 'B' shares between them pro rata to their respective holdings of 'B' shares.

LANE 4 MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

22. Reserves

Share premium account

Share premium includes excess amounts received by the company over the par value of its shares.

Revaluation reserve

Revaluation reserve includes the fair value gains on the company's freehold land and property.

Other reserves

Other reserves includes ordinary shares repurchased by the company and cancelled.

Profit and loss account

Profit and loss account includes all current and prior year retained profits and losses.

23. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £202,602 (2016 - £170,115). Contributions totalling £40,034 (2016 - £33,717) were payable to the fund at the reporting date and are included in creditors.

24. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	60,105	60,105
Later than 1 year and not later than 5 years	139,904	199,863
	<u>200,009</u>	<u>259,968</u>

25. Transactions with directors

Included in other debtors is an amount of £95,946 (2016 - £95,946) owed by E Campbell. During the year, the maximum balance was £95,946 (2016 - £112,500). There is no interest accruing on this loan.

Included in other debtors is an amount of £12,500 (2016 - £Nil) owed by J Warhurst. During the year, the maximum balance was £12,500 (2016 - £Nil). There is no interest accruing on this loan.

Included in other debtors is an amount of £12,500 (2016 - £Nil) owed by L Pelling. During the year, the maximum balance was £12,500 (2016 - £Nil). There is no interest accruing on this loan.

LANE 4 MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

26. Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 102 not to disclose any transactions with other wholly owned members of the group as the parent company prepares consolidated financial statements that are publicly available.

Only directors are regarded as key management and their remuneration is disclosed in note 8

27. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is Lane 4 Management Group Holdings Limited.

Consolidated accounts for Lane 4 Management Group Holdings Limited are available at Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ, This is the only company in the group which produces consolidated accounts which include the company.