
HALSALL CONSTRUCTION LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

HALSALL CONSTRUCTION LIMITED

CONTENTS

	Page
Company information page	1
Strategic report	2
Directors' report	3 - 4
Independent auditors' report	5 - 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 - 16

HALSALL CONSTRUCTION LIMITED

COMPANY INFORMATION

DIRECTORS	R Power G K Davis G Braddick A Corp D Smith (resigned 30 September 2015)
COMPANY SECRETARY	G Braddick
REGISTERED NUMBER	02349210
REGISTERED OFFICE	1 Roman Way Bath Business Park Peasedown St John Bath BA2 8SG
INDEPENDENT AUDITORS	Nexia Smith & Williamson Chartered Accountants & Registered Auditors Portwall Place Portwall Lane Bristol BS1 6NA
BANKERS	Co-operative Bank Plc 42 Greengate Street Stafford ST16 2BU

HALSALL CONSTRUCTION LIMITED

**STRATEGIC REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

The directors present the strategic report for Halsall Construction Limited for the period ended 30 September 2015.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The company has shown a significant increase in turnover by 15% (pro rated) but there has been a decrease in the gross profit margin year on year from 7.1% to 5.2% reflecting a different mix of work. However, profit on ordinary activities remains positive. The order book for the forthcoming year is £5,941,200 higher (55%) than the previous year which is in line with the director's strategy for growth.

KEY PERFORMANCE INDICATORS

The Board uses a number of tools to monitor the Group's performance on a divisional basis, including a review of key performance indicators (KPIs) on a regular and consistent basis. The KPI's currently used are:

Gross Margin - 5.2% (2014 - 7.1%)

Net Profit Margin - 0.1% (2014 - 0.09%)

Cash in the Bank - £2,211,725 (2014 - £1,943,192)

Current Ratio - 1.21 (2014 - 1.23)

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties in this climate include customer acceptance of the products; changes in customer requirements and in levels of demand in the market, restrictions to market access; competitive pressure on pricing, government spending levels and overall economic conditions.

FINANCIAL RISK MANAGEMENT

The outlook for the construction industry is positive and whilst this creates further opportunities for the company the directors' recognise the importance of closely monitoring price pressures. The company's finances remain sound and we believe compare favourably with our peers within the industry.

This report was approved by the board and signed on its behalf

G Braddick
Director

Date: 20 April 2016

HALSALL CONSTRUCTION LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

The directors present their report and the audited financial statements for the period ended 30 September 2015.

PRINCIPAL ACTIVITIES

The principal activity of Hasall Construction Limited is that of builders and public works contractors.

RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation amounted to £15,936 (2014 - profit of £8,807). The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the period were:

R Power
G K Davis
G Braddick
A Corp
D Smith (resigned 30 September 2015)

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 company will continue in business.

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

HALSALL CONSTRUCTION LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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.

AUDITORS

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

G Braddick

Director

Date: 20 April 2016

HALSALL CONSTRUCTION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HALSALL CONSTRUCTION LIMITED

We have audited the financial statements of Halsall Construction Limited for the period ended 30 September 2015, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its profit for the period 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

HALSALL CONSTRUCTION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HALSALL CONSTRUCTION LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Jonathan Talbot (Senior statutory auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants

Registered Auditors

Portwall Place

Portwall Lane

Bristol

BS1 6NA

20 April 2016

HALSALL CONSTRUCTION LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	Note	17 months ended 30 September 2015 £	Year ended 30 April 2014 £
TURNOVER	1,2	28,197,676	17,119,901
Cost of sales		<u>(26,722,906)</u>	<u>(15,908,575)</u>
GROSS PROFIT		1,474,770	1,211,326
Administrative expenses		(1,410,087)	(1,210,069)
Exceptional administrative expenses		(41,435)	-
Total administrative expenses		<u>(1,451,522)</u>	<u>(1,210,069)</u>
OPERATING PROFIT	3	23,248	1,257
Interest receivable and similar income	4	<u>5,213</u>	<u>14,326</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		28,461	15,583
Tax on profit on ordinary activities	5	<u>(12,525)</u>	<u>(6,776)</u>
PROFIT FOR THE FINANCIAL PERIOD	15	<u>15,936</u>	<u>8,807</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 9 to 16 form part of these financial statements.

HALSALL CONSTRUCTION LIMITED
REGISTERED NUMBER: 02349210

BALANCE SHEET
AS AT 30 SEPTEMBER 2015

	Note	£	30 September 2015 £	£	30 April 2014 £
FIXED ASSETS					
Tangible assets	9		1,251,635		1,292,413
CURRENT ASSETS					
Stocks	10	790,356		544	
Debtors: amounts falling due after more than one year	11	319,692		451,343	
Debtors: amounts falling due within one year	11	3,157,918		2,833,310	
Cash at bank		<u>2,211,725</u>		<u>1,943,192</u>	
		6,479,691		5,228,389	
CREDITORS: amounts falling due within one year	12	<u>(5,365,756)</u>		<u>(4,249,128)</u>	
NET CURRENT ASSETS			<u>1,113,935</u>		<u>979,261</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,365,570</u>		<u>2,271,674</u>
CREDITORS: amounts falling due after more than one year	13		<u>(469,441)</u>		<u>(391,481)</u>
NET ASSETS			<u>1,896,129</u>		<u>1,880,193</u>
CAPITAL AND RESERVES					
Called up share capital	14		50,000		50,000
Profit and loss account	15		<u>1,846,129</u>		<u>1,830,193</u>
SHAREHOLDERS' FUNDS	16		<u>1,896,129</u>		<u>1,880,193</u>

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

G Braddick
Director

Date: 20 April 2016

The notes on pages 9 to 16 form part of these financial statements.

HALSALL CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**1. ACCOUNTING POLICIES****1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the period, exclusive of Value Added Tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% on cost
Fixtures & fittings	-	10% on reducing balance
Office equipment	-	25% on cost
Land	-	not depreciated

1.4 Stocks

Stock of land is valued on a site by site basis at the lower of cost and net realisable value.

1.5 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

HALSALL CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

1.9 Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 from presenting a cash flow statement as it is a wholly owned subsidiary of Shepperton Group Limited which prepares consolidated financial statements, which are publicly available.

1.10 Exceptional items

Exceptional items are events or transactions which, by virtue of their size or nature, have been disclosed in order to improve a reader's understanding of the Financial Statements

2. TURNOVER

Turnover arises solely from the United Kingdom and is wholly attributable to the principal activity of the company.

3. OPERATING PROFIT

The operating profit is stated after charging:

	17 months ended 30 September 2015	<i>Year ended 30 April 2014</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	64,204	43,486
Auditors' remuneration	18,500	13,750
Operating lease rentals:		
- plant and machinery	59,472	28,707
	<u>59,472</u>	<u>28,707</u>

HALSALL CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

4. INTEREST RECEIVABLE

	17 months ended 2015 £	Year ended 30 April 2014 £
Other interest receivable	<u>5,213</u>	<u>14,326</u>

5. TAXATION

	17 months ended 30 September 2015 £	Year ended 30 April 2014 £
UK corporation tax charge on profit for the period/year	<u>12,525</u>	<u>6,776</u>

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20% (2014 - 23%). The differences are explained below:

	17 months ended 30 September 2015 £	Year ended 30 April 2014 £
Profit on ordinary activities before tax	<u>28,461</u>	<u>15,583</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 23%)	5,692	3,584
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	311
Capital allowances for period/year in excess of depreciation	6,833	3,895
Small company rate relief	-	(1,014)
Current tax charge for the period/year (see note above)	<u>12,525</u>	<u>6,776</u>

HALSALL CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

6. STAFF COSTS

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

	17 months ended 30 September 2015	<i>Year ended 30 April 2014</i>
	£	£
Wages and salaries	2,500,064	1,616,533
Social security costs	280,322	176,219
Other pension costs	80,868	35,366
	<u>2,861,254</u>	<u>1,828,118</u>

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

	2015	<i>2014</i>
	No.	No.
Management	3	2
Office administration	12	12
Construction	27	29
	<u>42</u>	<u>43</u>

7. DIRECTORS' REMUNERATION

	17 months ended 30 September 2015	<i>Year ended 30 April 2014</i>
	£	£
Remuneration	<u>238,474</u>	<u>117,103</u>
Company pension contributions to defined contribution pension schemes	<u>9,133</u>	<u>6,216</u>
Compensation for loss of office	<u>30,850</u>	<u>-</u>

During the period retirement benefits were accruing to 1 director (2014 - 1) in respect of defined contribution pension schemes.

HALSALL CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

8. EXCEPTIONAL ITEMS

	2015	2014
	£	£
Loan arrangement fees	<u>41,435</u>	<u>-</u>

9. TANGIBLE FIXED ASSETS

	Freehold property and land £	Fixtures, fittings & office equipment £	Total £
Cost			
At 1 May 2014	1,289,035	285,750	1,574,785
Additions	<u>-</u>	<u>23,426</u>	<u>23,426</u>
At 30 September 2015	<u>1,289,035</u>	<u>309,176</u>	<u>1,598,211</u>
Depreciation			
At 1 May 2014	98,148	184,224	282,372
Charge for the period	<u>22,667</u>	<u>41,537</u>	<u>64,204</u>
At 30 September 2015	<u>120,815</u>	<u>225,761</u>	<u>346,576</u>
Net book value			
At 30 September 2015	<u>1,168,220</u>	<u>83,415</u>	<u>1,251,635</u>
At 30 April 2014	<u>1,190,887</u>	<u>101,526</u>	<u>1,292,413</u>

HALSALL CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

10. STOCKS

	30 September 2015 £	30 April 2014 £
Development land	<u>790,356</u>	<u>544</u>

11. DEBTORS

	30 September 2015 £	30 April 2014 £
Due after more than one year		
Amounts recoverable on long term contracts	<u>319,692</u>	<u>451,343</u>

	30 September 2015 £	30 April 2014 £
Due within one year		
Trade debtors	1,033,178	252,272
Amounts owed by group undertakings	779,854	227,238
Other debtors	137,412	194,198
Prepayments and accrued income	70,786	87,096
Amounts recoverable on long term contracts	1,136,688	2,072,506
	<u>3,157,918</u>	<u>2,833,310</u>

12. CREDITORS:

Amounts falling due within one year

	30 September 2015 £	30 April 2014 £
Bank loans and overdrafts	256,864	126,504
Trade creditors	1,338,442	679,314
Amounts owed to group undertakings	4,987	4,987
Corporation tax	12,525	-
Other taxation and social security	77,766	67,010
Other creditors	3,660,439	3,361,774
Accruals and deferred income	14,733	9,539
	<u>5,365,756</u>	<u>4,249,128</u>

HALSALL CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

13. CREDITORS:

Amounts falling due after more than one year

	30 September 2015 £	30 April 2014 £
Bank loans	<u>469,441</u>	<u>391,481</u>

The bank loan is repayable in instalments, and falls due between one and five years. The bank loan is secured by a fixed charge over the freehold property and a floating charge over the other assets of the company. It attracts interest at a fixed rate of 2.79% per annum.

14. SHARE CAPITAL

	30 September 2015 £	30 April 2014 £
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

15. RESERVES

	Profit and loss account £
At 1 May 2014	1,830,193
Profit for the financial period	15,936
At 30 September 2015	<u>1,846,129</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	30 September 2015 £	30 April 2014 £
Opening shareholders' funds	1,880,193	1,871,386
Profit for the financial period/year	<u>15,936</u>	<u>8,807</u>
Closing shareholders' funds	<u>1,896,129</u>	<u>1,880,193</u>

HALSALL CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

17. CONTINGENT LIABILITIES

The company is party to cross guarantees given in respect of certain bank borrowings of group companies which at 30 April 2015 amounted to £Nil (2014 - £Nil), and which are secured by a floating charge over the assets of all group companies and a fixed charge over certain freehold properties in various group companies.

18. RELATED PARTY TRANSACTIONS

The immediate controlling party of Halsall Construction Limited is its parent undertaking, Shepperton Group Limited.

The ultimate controlling party is Shepperton Ventures Limited which is controlled by its shareholder G K Davis.

The company has taken advantage of the exemption from providing details of related party transactions with group companies as they are incorporated within the financial statements of its parent undertaking, Shepperton Group Limited. Copies of that company's financial statements can be obtained from its registered office at Carriage Court, 24 Circus Mews, Bath, BA1 2PW.

19. OPERATING LEASE COMMITMENTS

At 30 September 2015 the company had annual commitments under non-cancellable operating leases as follows:

	30 September 2015 £	<i>30 April 2014 £</i>
Expiry date:		
Between 2 and 5 years	<u>35,662</u>	<u><i>25,083</i></u>