

HOULIHAN AND CO (EXCAVATIONS) LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2017**

**The MGroup Partnership
Registered Auditor
Cranbrook House
287-291 Banbury Road, Oxford
OX2 7JQ**

Company Registration Number: 01065430

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HOULIHAN AND CO (EXCAVATIONS) LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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HOULIHAN AND CO (EXCAVATIONS) LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 AUGUST 2017

DIRECTORS

K Winney (resigned 1 February 2017)
K J Root (resigned 1 February 2017)
P R Withers (resigned 1 February 2017)
Mrs L H Hallson (resigned 9 February 2018)
R M Knight
S W Betts (deceased 4 May 2018)
J A Pike

SECRETARY

M T Doohan (resigned 13 April 2017)
Mrs L H Hallson (appointed 13 April 2017 and resigned 9 February 2018)
R M Knight (appointed 9 February 2018)

REGISTERED OFFICE

Unit J2
Brooklands Close
Sunbury-on-Thames
Middlesex
TW16 7DX

COMPANY REGISTRATION NUMBER

01065430 England and Wales

AUDITOR

The MGroup Partnership
Registered Auditor
Cranbrook House
287-291 Banbury Road
Oxford
OX2 7JQ

HOULIHAN AND CO (EXCAVATIONS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The directors present their annual report with the financial statements of the company for the year ended 31 August 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review continued to be that of groundwork contractors to the building and civil engineering industry.

RESULTS AND APPROPRIATIONS

The results of the year's trading, the financial position of the company and the transfer to reserves are shown in the annexed financial statements.

The net profit for the year, before taxation, amounted to £5,009,694 (2016 - £3,853,001). The directors recommend the payment of a dividend of £1,180,541 (2016 - £2,738,000). Net assets at the year end were £8,479,035 (2016 - £5,672,621).

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors intend to improve the overall trading performance in the forthcoming year and to further develop its trade and consolidate its financial position.

PRINCIPAL RISKS AND UNCERTAINTIES

As with many businesses, the company's operations expose it to a variety of financial risks and macro economic factors of an uncertain nature such as changes in inflation and interest rates which have had a significant bearing on the company's results for the year under review.

FINANCIAL INSTRUMENTS

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in sterling. The company does not enter into any hedging transactions.

DIRECTORS

The following directors held office during the year:

K Winney (resigned 1 February 2017)
K J Root (resigned 1 February 2017)
P R Withers (resigned 1 February 2017)
Mrs L H Hallson (resigned 9 February 2018)
R M Knight
S W Betts (deceased 4 May 2018)
J A Pike

D Shine and T C Hunt were both appointed as directors after the year end on 6 April 2018 but prior to the approval of the financial statements.

/continued

HOULIHAN AND CO (EXCAVATIONS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations and in accordance with United Kingdom Generally Accepted Accounting Practice.

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 (Financial Reporting Standard 102). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable 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.

POST BALANCE SHEET EVENTS

There were no matters to report as post balance sheet events.

STRATEGIC REPORT

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial instruments.

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors at the date of approval of this report confirm that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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HOULIHAN AND CO (EXCAVATIONS) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

AUDITOR

The auditor, The MGroup Partnership, have expressed their willingness to continue in office, and in accordance with section 485 of the Companies Act 2006 a resolution proposing their reappointment will be submitted at a General Meeting of the company.

BY ORDER OF THE BOARD


.....
R M Knight
Secretary

Date approved by the board: 25-5-18

HOULIHAN AND CO (EXCAVATIONS) LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2017

TO THE MEMBERS OF HOULIHAN AND CO (EXCAVATIONS) LIMITED

OPINION

We have audited the financial statements of Houlihan and Co (Excavations) Limited for the year ended 31 August 2017 on pages 9 to 21 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. 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 United Kingdom 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 August 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice - Financial Reporting Standard 102; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

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 any 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 opinion we have formed.

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 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.

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HOULIHAN AND CO (EXCAVATIONS) LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2017

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters 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.

/continued

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

RESPONSIBILITIES OF THE DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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HOULIHAN AND CO (EXCAVATIONS) LIMITED

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS - continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PM Casterton (Senior Statutory Auditor)
For and on behalf of
The MGroup Partnership
STATUTORY AUDITOR
Cranbrook House
287-291 Banbury Road
Oxford
OX2 7JQ

30 May 2018

HOULIHAN AND CO (EXCAVATIONS) LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	2017 £	2016 £
TURNOVER	4	58,759,260	53,306,976
Cost of sales		50,578,847	46,787,760
GROSS PROFIT		8,180,413	6,519,216
Administrative expenses		3,281,964	2,736,215
Other operating income		4,898,449	3,783,001
		113,551	74,409
OPERATING PROFIT	5	5,012,000	3,857,410
Other interest receivable and similar income		1,148	611
Interest payable and similar charges	8	5,013,148	3,858,021
		3,454	5,020
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,009,694	3,853,001
Taxation on ordinary activities	9	1,022,739	836,911
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	19	3,986,955	3,016,090

There were no acquisitions and no discontinued operations in either of the periods.

The only recognised gains or losses for both periods are the profits reported above.

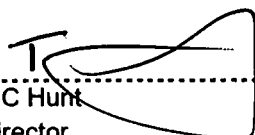
HOULIHAN AND CO (EXCAVATIONS) LIMITED

BALANCE SHEET AS AT 31 AUGUST 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	11	483,926	447,704
Investments	12	19,800	19,800
		<u>503,726</u>	<u>467,504</u>
CURRENT ASSETS			
Stocks	13	243,631	-
Debtors	14	18,041,657	14,508,825
Cash at bank and in hand		3,779,229	3,267,923
		<u>22,064,517</u>	<u>17,776,748</u>
CREDITORS: Amounts falling due within one year	15	14,089,208	12,571,631
		<u>7,975,309</u>	<u>5,205,117</u>
NET CURRENT ASSETS			
		<u>8,479,035</u>	<u>5,672,621</u>
NET ASSETS			
		<u>8,479,035</u>	<u>5,672,621</u>
CAPITAL AND RESERVES			
Called up share capital	18	50,002	50,002
Profit and loss account	19	8,429,033	5,622,619
SHAREHOLDERS' FUNDS		<u>8,479,035</u>	<u>5,672,621</u>

These accounts were approved by the board on 25-5-18 and signed on its behalf by the following:


.....
R M Knight
Director


.....
T C Hunt
Director

Date approved by the board: 25-5-18

HOULIHAN AND CO (EXCAVATIONS) LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2017**

	Called up share capital £	Profit and loss account £	Total £
At 1 September 2015	50,002	5,344,529	5,394,531
Profit for the year	-	3,016,090	3,016,090
Dividends paid	-	(2,738,000)	(2,738,000)
At 31 August 2016	50,002	5,622,619	5,672,621
Profit for the year	-	3,986,955	3,986,955
Dividends paid	-	(1,180,541)	(1,180,541)
At 31 August 2017	50,002	8,429,033	8,479,035

HOULIHAN AND CO (EXCAVATIONS) LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017****CASH FLOWS FROM OPERATING ACTIVITIES**

	Notes	2017 £	2016 £
Operating profit		5,012,000	3,857,410
Adjustments for:			
Depreciation		133,759	122,609
Amortisation		7,615	-
Loss on disposal of fixed assets		487	6,790
Stock movement		(243,631)	96,041
Debtors movement		(3,529,647)	2,223,511
Creditors movement		1,611,911	1,081,646
Cash from operations		2,992,494	7,388,007
Income taxes paid		(1,120,258)	(878,919)
Net cash flow generated by operating activities		1,872,236	6,509,088
Cash flows from financing activities	21	(1,183,995)	(2,743,020)
Cash flows from investing activities	22	(176,935)	(245,522)
Net increase in cash and cash equivalents		511,306	3,520,546
Cash and cash equivalents at the beginning of the year		3,267,923	(252,623)
Cash and cash equivalents at the end of the year		3,779,229	3,267,923

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

1 GENERAL INFORMATION

Houlihan and Co (Excavations) Limited is a private limited company incorporated in England and Wales and has its registered office and principal place of business at Unit J2, Brooklands Close, Sunbury-on-Thames, Middlesex, TW16 7DX.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)", and with the Companies Act 2006.

The financial statements are presented in Sterling, which is the functional currency of the company.

The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial statements.

Revenue recognition

Revenue represents the value of groundwork contracts completed and externally certified during the year, stated net of value added tax.

Revenue from long-term contracts have been assessed on a contract by contract basis and reflected in the profit and loss account by recording revenue and related costs as contract activity progresses. Revenue is ascertained in a manner appropriate to the stage of completion of the contract calculated by reference to the costs incurred at the balance sheet date. Profit is taken on long term contracts on a prudent basis and only when the final outcome of the project is reasonably certain.

Taxation

Taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods based on current tax rates and laws. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Current and deferred tax assets and liabilities are not discounted.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Tangible fixed assets

Fixed assets are stated at cost, less accumulated depreciation and less amounts recognised in respect of impairment.

Depreciation and amortisation has been provided at the following rates so as to write off the cost less residual value of the assets over their estimated useful lives.

Leasehold improvements	20% straight line
Office equipment	25% per annum reducing balance
Motor vehicles	25% per annum reducing balance

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in the profit and loss account, and included within administrative expenses.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like goodwill and plant, property and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets (which is the higher of value in use and the fair value less cost to sell) is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in the profit and loss account.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

Investments

Fixed asset investments are shown at cost less provision for permanent diminution in value as fair value cannot be reliably measured.

Trade and other 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Trade and other creditors

Short term trade 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.

Leases

Payments applicable to operating leases are charged against profit on a straight line basis over the lease term.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets are measured at cost and are assessed at the end of each reporting period for objective evidence of impairment. Where objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

The impairment loss for financial assets measured at cost is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amount and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Pensions

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the amount paid in the year.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

HOULIHAN AND CO (EXCAVATIONS) LIMITED

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the company's accounting policies, which are described in note 2, management are required to make judgements, estimates and assumptions about liabilities arising from potential claims against the company. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

These 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4 TURNOVER

None of the company's turnover is attributable to geographical markets outside the United Kingdom.

5 OPERATING PROFIT

	2017 £	2016 £
The operating profit is stated after charging:		
Directors' remuneration (Note 6)	202,391	203,304
Company contributions to employee pension schemes	61,555	26,144
Auditor's remuneration - audit fees	12,000	12,000
Auditor's remuneration - non audit fees	33,200	31,850
Depreciation	133,759	122,609
Amortisation	7,615	-
Loss on sale of tangible fixed assets	487	6,790
Operating lease rentals - land and buildings	97,993	78,000

6 DIRECTORS' REMUNERATION

	2017 £	2016 £
The remuneration of the directors was as follows:		
Emoluments	162,150	174,450
Company contributions to pension schemes	8,099	7,090
Benefits in kind	32,142	21,764
	<u>202,391</u>	<u>203,304</u>

The remuneration of the highest paid director was as follows:

Emoluments	47,750	47,250
Company contributions to pension schemes	1,390	1,080
Benefits in kind	4,518	3,207
	<u>53,658</u>	<u>51,537</u>

Six of the directors (2016 - six) are members of a pension scheme.

HOULIHAN AND CO (EXCAVATIONS) LIMITED

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

7 EMPLOYEES

	2017 Number	2016 Number
Average number of persons employed by the company, including directors, during the year:		
Production	64	71
Administration	23	18
	<u>87</u>	<u>89</u>
	2017 £	2016 £
Staff costs incurred during the year in respect of these employees were:		
Wages and salaries	3,414,940	3,324,733
Social security costs	419,168	393,112
Other pension costs	69,654	33,234
	<u>3,903,762</u>	<u>3,751,079</u>

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Interest on overdue taxation	<u>3,454</u>	<u>5,020</u>

9 TAXATION ON ORDINARY ACTIVITIES

	2017 £	2016 £
Corporation tax charge	1,025,924	845,258
Deferred taxation (Note 16)	-	(8,347)
Deferred taxation (Note 17)	(3,185)	-
	<u>1,022,739</u>	<u>836,911</u>

The taxation charge for the year has been calculated at 19.58% (2016 - 20%).

Reconciliation of current tax charge

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>5,009,694</u>	<u>3,853,001</u>
Profit on ordinary activities by rate of tax	980,939	770,600
Expenses not deductible for tax purposes	42,662	65,567
Deferred taxation not provided in prior period	(931)	-
Difference in tax rates	69	744
Total current tax	<u>1,022,739</u>	<u>836,911</u>

HOULIHAN AND CO (EXCAVATIONS) LIMITED

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

10 DIVIDENDS

	2017	2016
	£	£
Paid dividend	1,145,541	2,688,000
Paid dividend 'A' shares	35,000	50,000
	<u>1,180,541</u>	<u>2,738,000</u>

11 TANGIBLE ASSETS

	Leasehold improvements	Office equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2016	43,168	138,367	1,154,742	1,336,277
Additions	58,456	46,674	73,730	178,860
Disposals	(43,168)	-	(56,242)	(99,410)
At 31 August 2017	<u>58,456</u>	<u>185,041</u>	<u>1,172,230</u>	<u>1,415,727</u>
Accumulated depreciation				
At 1 September 2016	43,168	126,503	718,902	888,573
Charge for year	7,615	10,699	123,060	141,374
Disposals	(43,168)	-	(54,978)	(98,146)
At 31 August 2017	<u>7,615</u>	<u>137,202</u>	<u>786,984</u>	<u>931,801</u>
Net book value				
At 1 September 2016	-	11,864	435,840	447,704
At 31 August 2017	<u>50,841</u>	<u>47,839</u>	<u>385,246</u>	<u>483,926</u>

12 FIXED ASSET INVESTMENTS

	Unlisted
	£
Cost	
At 1 September 2016	19,800
At 31 August 2017	<u>19,800</u>
Net book value	
At 1 September 2016	19,800
At 31 August 2017	<u>19,800</u>

HOULIHAN AND CO (EXCAVATIONS) LIMITED

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

13 STOCKS

	2017 £	2016 £
Long term contract balances	243,631	-

14 DEBTORS

	2017 £	2016 £
Trade debtors	-	146,129
Amounts recoverable on long term contracts	10,500,006	6,943,998
Other debtors	7,455,201	7,327,198
Prepayments and accrued income	86,450	91,500
	18,041,657	14,508,825

Included in other debtors is an advance to a director totalling £2,886 (2016 - £Nil). Interest has been charged on this advance at the Beneficial Loan Arrangement Official Rate as prescribed by HM Revenue and Customs. The advance has no fixed date of repayment.

15 CREDITORS: amounts falling due within one year

	2017 £	2016 £
Trade creditors	3,127,742	2,554,598
Provision for future costs on contracts	7,335,372	5,837,678
Corporation tax	525,924	620,258
Other taxation and social security	326,835	261,356
Other creditors	288,089	1,405,189
Accruals and deferred income	2,485,246	1,892,552
	14,089,208	12,571,631

Included within trade creditors are amounts which may be the subject of retention of title clauses.

16 PROVISIONS FOR LIABILITIES

Movements on deferred taxation provision	2017 £	2016 £
Balance brought forward	-	8,347
Transfer during the year (Note 9)	-	(8,347)
Balance carried forward	-	-

HOULIHAN AND CO (EXCAVATIONS) LIMITED

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

17 CONTINGENCIES AND COMMITMENTS

Other Commitments

Amounts falling due next year under operating leases:

	2017 £	2016 £
In less than one year	80,674	-
In more than one but less than five years	259,980	-
	<u>340,654</u>	<u>-</u>

Deferred Taxation

	2017 £	2016 £
Accelerated capital allowances	3,185	-
	<u>3,185</u>	<u>-</u>

All deferred taxation has been fully provided and the asset has been included within other debtors.

Movements on deferred taxation asset

	2017 £	2016 £
Balance brought forward	-	-
Transfer during the year (Note 9)	3,185	-
	<u>3,185</u>	<u>-</u>
Balance carried forward	3,185	-

18 SHARE CAPITAL

	Nominal value £	Number	2017 £	2016 £
Allotted, called up and fully paid:				
Ordinary shares	1	50,000	50,000	50,000
Ordinary A shares	1	2	2	2
			<u>50,002</u>	<u>50,002</u>

The holders of the Ordinary shares are entitled to one vote per share at meetings of the company, receipt of dividends as declared from time to time and rank equally with regard to the company's residual assets on a winding up or other return of capital.

The holders of the Ordinary A shares are entitled to receipt of dividends only, have no right to vote at meetings of the company and no right to a return of capital on a winding up with regard to the company's residual assets.

19 PROFIT AND LOSS ACCOUNT

	2017 £	2016 £
Balance brought forward	5,622,619	5,344,529
Profit for the financial year	3,986,955	3,016,090
Dividends	(1,180,541)	(2,738,000)
	<u>8,429,033</u>	<u>5,622,619</u>
Balance carried forward	8,429,033	5,622,619

HOULIHAN AND CO (EXCAVATIONS) LIMITED

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

20 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption not to disclose transactions with other members of the group headed by Houlihan & Co (Holdings) Limited on the grounds that 100% of the voting rights are controlled within the group. Consolidated accounts are publicly available from their registered office at Unit J2, Brooklands Close, Sunbury-on-Thames, Middlesex, TW16 7DX.

The company paid rent of £26,000 (2016 - £78,000) to the Houlihan Executive Pension Scheme for the use of premises owned by the pension scheme. Three of the former directors of the company are members of this scheme.

21 CASH FLOWS FROM FINANCING ACTIVITIES

	2017 £	2016 £
Equity dividends paid	(1,180,541)	(2,738,000)
Interest paid	(3,454)	(5,020)
Net cash used in financing activities	<u>(1,183,995)</u>	<u>(2,743,020)</u>

22 CASH FLOWS FROM INVESTING ACTIVITIES

	2017 £	2016 £
Purchase of tangible fixed assets	(178,860)	(257,650)
Sale of tangible fixed assets	777	11,517
Interest received	1,148	611
Net cash used in investing activities	<u>(176,935)</u>	<u>(245,522)</u>

23 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is R M Knight by virtue of his 75% interest in the issued share capital of the company's ultimate parent undertaking, Houlihan & Co (Holdings) Limited.

24 ULTIMATE PARENT COMPANY

The company's parent and ultimate parent company is Houlihan and Co (Holdings) Limited by virtue of its 100% interest in the issued share capital of Houlihan and Co (Excavations) Limited. Houlihan and Co (Holdings) Limited is incorporated in the United Kingdom and has its registered office at Unit J2, Brooklands Close, Sunbury-on-Thames, Middlesex, TW16 7DX. Consolidated accounts are available at their registered office.