

COMPANY REGISTRATION NUMBER 01520021

R Borrás Construction Limited
Financial Statements
31 December 2012

MHA MACINTYRE HUDSON

Chartered Accountants & Statutory Auditor
Euro House
1394 High Road
London
N20 9YZ



R Borrás Construction Limited

Financial Statements

Year ended 31 December 2012

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R Borrás Construction Limited

Officers and Professional Advisers

The Board of Directors

Mr R D Borrás
Mrs C A Borrás
Mr A B Bowden
Mr M Lennard
Mr M G Howlett
Mr P Pickering

Company Secretary

Mrs C A Borrás

Registered Office

1 Salar House
Campfield Road
St Albans
Hertfordshire
England
AL1 5HT

Auditor

MHA MacIntyre Hudson
Chartered Accountants
& Statutory Auditor
Euro House
1394 High Road
London
N20 9YZ

Bankers

Barclays Bank PLC
22/24 Upper Marlborough Road
St Albans
Herts
AL1 3HJ

R Borrás Construction Limited

The Directors' Report

Year ended 31 December 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2012

Principal activities and business review

The principal activity of the company during the year was that of building contractors

The company has delivered a solid set of results, in line with our expectations, while the impact of the economic downturn and reductions in public spending has not unduly affected the core business

Any effects of the downturn have, in the main, been countered by securing long term Construction Framework Agreements with a broad range of clients including Northamptonshire County Council, Milton Keynes Council, Smarte East (Hertfordshire County Council & Essex County Council), South Cambridgeshire District Council, the University of Hertfordshire and the London Borough of Barking & Dagenham. These frameworks will continue to provide excellent opportunities for the business.

Enquiries and tender opportunities through 2012 were strong with many further commitments for 2013

2012 was a year of strategic progress and we have improved our capability to deliver larger and more complex projects, including the successful completion of a number of modern methods of construction projects

We have furthered our involvement in all aspects of corporate social responsibility with the commitment to make a positive difference to people's lives and environments

The turnover of the company was £41,082,260 (2011 £37,018,880), which was higher than the targeted sales of £35m. Profit before tax was £822,891 (2011 £722,065). Gross profit margin was 9.1% compared to 8.4% in 2011. Net current assets were £10,107,986 (2011 £9,518,571).

The company continued to maintain tight control of working capital and to drive cost efficiencies. The high level of liquidity, large cash reserves combined with the positive influence of the Framework Agreements that are in place, ensures that the company is less vulnerable to the effects of recession than many of its competitors.

At the end of 2012, the company had an order book for 2013 of £22.8m.

We remain confident that sufficient opportunities will be available for the company to trade profitably in 2013 and further enhance its reputation.

Results and dividends

The profit for the year, after taxation, amounted to £621,835. Particulars of dividends paid are detailed in note 9 to the financial statements.

Directors

The directors who served the company during the year were as follows:

Mr R D Borrás
Mrs C A Borrás
Mr A B Bowden
Mr C E Streeting
Mr M Lennard
Mr M G Howlett
Mr P Pickering

R Borrás Construction Limited

The Directors' Report *(continued)*

Year ended 31 December 2012

Mr C E Streeting retired as a director on 10 February 2012

Directors' responsibilities

The directors are responsible for preparing 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 year.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

In 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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

R Borrás Construction Limited

The Directors' Report *(continued)*

Year ended 31 December 2012

Donations

During the year the company made the following contributions

	2012 £	2011 £
Charitable (disability charities)	<u>£8,435</u>	<u>£9,445</u>

Included in the above is £5,370 donation made to the Willow Foundation

Other	<u>£6,437</u>	<u>£160</u>
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Auditor

MHA MacIntyre Hudson is deemed to be re-appointed under section 487(2) of Companies Act 2006

Registered office
1 Salar House
Campfield Road
St Albans
Hertfordshire
England
AL1 5HT

Signed by order of the directors

Carol Borrás

Mrs C A Borrás
Company Secretary

Approved by the directors on 28 05 2013

R Borrás Construction Limited

Independent Auditor's Report to the Shareholders of R Borrás Construction Limited

Year ended 31 December 2012

We have audited the financial statements of R Borrás Construction Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes. 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 shareholders, 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 shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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. 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2012 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

R Borrás Construction Limited

Independent Auditor's Report to the Shareholders of R Borrás Construction Limited *(continued)*

Year ended 31 December 2012

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



BRENDAN SHARKEY FCA (Senior
Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants
& Statutory Auditor

Euro House
1394 High Road
London
N20 9YZ

28th May 2013

R Borrás Construction Limited

Profit and Loss Account

Year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	2	41,082,260	37,018,880
Cost of sales		37,352,460	33,911,430
Gross profit		3,729,800	3,107,450
Administrative expenses		3,347,508	2,799,961
Other operating income	3	(393,740)	(401,406)
Operating profit	4	776,032	708,895
Attributable to			
Operating profit before exceptional items		1,510,551	708,895
Exceptional items	4	(734,519)	—
		776,032	708,895
Interest receivable and similar income		48,886	13,302
Interest payable and similar charges	7	(2,027)	(132)
Profit on ordinary activities before taxation		822,891	722,065
Tax on profit on ordinary activities	8	201,056	178,593
Profit for the financial year		<u>£621,835</u>	<u>£543,472</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 19 form part of these financial statements.

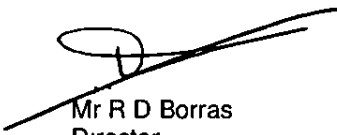
R Borrás Construction Limited

Balance Sheet

31 December 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	10	209,270	208,850
Investments	11	1,250,000	1,250,000
		<u>1,459,270</u>	<u>1,458,850</u>
Current assets			
Debtors	12	11,479,945	11,435,664
Cash at bank and in hand		7,578,818	6,542,392
		<u>19,058,763</u>	<u>17,978,056</u>
Creditors: amounts falling due within one year	14	<u>8,950,777</u>	<u>8,459,485</u>
Net current assets		<u>10,107,986</u>	<u>9,518,571</u>
Total assets less current liabilities		<u>11,567,256</u>	<u>10,977,421</u>
Capital and reserves			
Called-up equity share capital	17	1,000	1,000
Revaluation reserve		592,980	592,980
Share options reserve	18	137,122	137,122
Profit and loss account	19	10,836,154	10,246,319
Shareholders' funds	20	<u>£11,567,256</u>	<u>£10,977,421</u>

These financial statements were approved by the directors and authorised for issue on 28/5/2013 and are signed on their behalf by


Mr R D Borrás
Director

Carol Borrás

Mrs C A Borrás
Director

Company Registration Number 01520021

The notes on pages 9 to 19 form part of these financial statements.

R Borrás Construction Limited

Notes to the Financial Statements

Year ended 31 December 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

Turnover represents amounts receivable for goods and services net of VAT and a valuation of amounts recoverable on contracts at the year end net of VAT

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & Fittings	- 15% reducing balance
Motor Vehicles	- 33% reducing balance
Computer Equipment	- 33% reducing balance

Investment properties

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years

Although this accounting policy is in accordance with the applicable accounting standard, Statements of Standard Accounting Practice 19, Accounting for Investment Properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors, compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified

R Borrás Construction Limited

Notes to the Financial Statements

Year ended 31 December 2012

1. Accounting policies *(continued)*

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

R Borrás Construction Limited

Notes to the Financial Statements

Year ended 31 December 2012

1. Accounting policies *(continued)*

Share-based payments

The company issues equity-settled and share-based payments to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the company's estimate of the shares that will eventually vest.

Fair value is measured using the dividend yield based pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately. However, if a new transaction is substituted for the cancelled transaction, and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

Where the equity-settled share based payment is issued to an employee of a subsidiary, as the share-based arrangement is accounted for as an equity-settled share-based payment in the consolidated accounts of the ultimate parent company, the fair value of the payment is expensed in the subsidiary's accounts. For cash-settled share-based payments, a liability equal to the portion of the goods and services received is recognised at the current fair value determined at each balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Amounts recoverable on contracts

Amounts recoverable on contracts which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. All costs to accrue are included within trade creditors. Unbilled retentions have been treated as realised and recognised in turnover in the profit and loss account.

Materials held at the year end for specific contracts are included at cost within amounts recoverable on contracts. These are released at net realisable value once the work is invoiced.

R Borrás Construction Limited

Notes to the Financial Statements

Year ended 31 December 2012

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2012 £	2011 £
United Kingdom	<u>41,082,260</u>	<u>37,018,880</u>

3. Other operating income

	2012 £	2011 £
Rent receivable	89,292	88,388
Management charges receivable	300,757	308,761
Other operating income	3,691	4,257
	<u>393,740</u>	<u>401,406</u>

4. Operating profit

Operating profit is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of owned fixed assets	91,595	98,019
Profit on disposal of fixed assets	(210)	(3,757)
Auditor's remuneration		
- as auditor	12,000	12,000
- for other services	10,374	18,620
Operating lease costs		
- Other	91,509	76,046
Provision against loan	<u>734,519</u>	<u>-</u>

During the year, a provision of £734,519 was made against a loan due from World Channel Network Limited, as detailed in note 16

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered

	2012 £	2011 £
Audit	12,000	12,000
Taxation	1,000	1,000
Business consultancy	9,374	17,620
	<u>22,374</u>	<u>30,620</u>

R Borrás Construction Limited

Notes to the Financial Statements

Year ended 31 December 2012

5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2012 No	2011 No
Number of construction staff	72	96
Number of administrative staff	35	30
	<u>107</u>	<u>126</u>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	4,587,914	5,130,729
Social security costs	525,386	587,406
Other pension costs	91,915	154,876
	<u>5,205,215</u>	<u>5,873,011</u>

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012 £	2011 £
Remuneration receivable	444,466	639,481
Value of company pension contributions to money purchase schemes	31,036	29,593
	<u>475,502</u>	<u>669,074</u>

Remuneration of highest paid director:

	2012 £	2011 £
Total remuneration (excluding pension contributions)	111,119	141,634
Value of company pension contributions to money purchase schemes	4,336	4,764
	<u>115,455</u>	<u>146,398</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2012 No	2011 No
Money purchase schemes	<u>6</u>	<u>7</u>

R Borrás Construction Limited

Notes to the Financial Statements

Year ended 31 December 2012

7. Interest payable and similar charges

	2012 £	2011 £
Other similar charges payable	<u>2,027</u>	<u>132</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 24 50% (2011 - 26 49%)	217,002	182,764
Over/under provision in prior year	<u>(3,406)</u>	<u>-</u>
Total current tax	<u>213,596</u>	<u>182,764</u>
Deferred tax		
Origination and reversal of timing differences (note 13)		
Capital allowances	<u>(12,540)</u>	<u>(4,171)</u>
Tax on profit on ordinary activities	<u>201,056</u>	<u>178,593</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24 50% (2011 - 26 49%)

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>822,891</u>	<u>722,065</u>
Profit on ordinary activities by rate of tax	201,608	191,275
Expenses not deductible for tax purposes	4,891	4,964
Capital allowances for period in excess of depreciation	10,503	(13,475)
Adjustments to tax charge in respect of previous periods	<u>(3,406)</u>	<u>-</u>
Total current tax (note 8(a))	<u>213,596</u>	<u>182,764</u>

R Borrás Construction Limited

Notes to the Financial Statements

Year ended 31 December 2012

9. Dividends

Equity dividends

	2012 £	2011 £
Paid		
Equity dividends on ordinary shares	<u>32,000</u>	<u>40,000</u>

On 12 December 2012, the company paid a dividend to Borrás Group Holdings Limited, its parent company

10. Tangible fixed assets

	Office Furniture & Fixtures £	Motor Vehicles £	Computer Equipment £	Total £
Cost or valuation				
At 1 January 2012	100,213	403,519	205,565	709,297
Additions	4,393	89,801	6,307	100,501
Disposals	—	(61,167)	(62,835)	(124,002)
At 31 December 2012	<u>104,606</u>	<u>432,153</u>	<u>149,037</u>	<u>685,796</u>
Depreciation				
At 1 January 2012	61,215	282,800	156,432	500,447
Charge for the year	6,508	67,975	17,112	91,595
On disposals	—	(56,269)	(59,247)	(115,516)
At 31 December 2012	<u>67,723</u>	<u>294,506</u>	<u>114,297</u>	<u>476,526</u>
Net book value				
At 31 December 2012	<u>36,883</u>	<u>137,647</u>	<u>34,740</u>	<u>209,270</u>
At 31 December 2011	<u>38,998</u>	<u>120,719</u>	<u>49,133</u>	<u>208,850</u>

11. Investments

	Investment Property £
Valuation	
At 1 January 2012 and 31 December 2012	<u>1,250,000</u>
Net book value	
At 31 December 2012 and 31 December 2011	<u>1,250,000</u>

R Borrás Construction Limited

Notes to the Financial Statements

Year ended 31 December 2012

11. Investments (continued)

Fixed asset investments represent investment properties which are held for their investment potential. The directors are of the opinion that the properties fall within the definition of investment properties. One investment property was professionally valued during the year ended 31 December 2009 and other was last revalued during the year ended 31 December 2008. The directors are of the opinion that the market value of the properties at 31 December 2012 would not have been materially different from the value included in these accounts. No depreciation has been provided in accordance with Statement of Standard Accounting Practices 19.

The bank has a charge over Salar House, one of the investment properties held by the company as disclosed in Note 14.

12 Debtors

	2012 £	2011 £
Trade debtors	3,599,384	3,618,859
Amounts owed by group undertakings	317,257	201,506
Amounts recoverable on contracts	2,198,871	2,209,537
Other debtors	5,205,738	5,262,059
Prepayments and accrued income	138,154	135,702
Deferred taxation (note 13)	20,541	8,001
	<u>11,479,945</u>	<u>11,435,664</u>

Included in debtors above is £20,541 (2011 £8,001) due in more than one year.

13. Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2012 £	2011 £
Included in debtors (note 12)	<u>20,541</u>	<u>8,001</u>

The movement in the deferred taxation account during the year was

	2012 £	2011 £
Balance brought forward	8,001	3,830
Profit and loss account movement arising during the year	<u>12,540</u>	<u>4,171</u>
Balance carried forward	<u>20,541</u>	<u>8,001</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2012 £	2011 £
Excess of depreciation over taxation allowances	<u>20,541</u>	<u>8,001</u>
	<u>20,541</u>	<u>8,001</u>

R Borrás Construction Limited

Notes to the Financial Statements

Year ended 31 December 2012

14. Creditors: amounts falling due within one year

	2012 £	2011 £
Overdrafts	23,495	46,346
Trade creditors	8,088,550	7,899,424
Other creditors including taxation and social security		
Corporation tax	114,898	57,764
PAYE and social security	205,499	180,358
VAT	336,051	44,111
Other creditors	32,520	44,502
Directors current accounts	21,298	—
	<u>8,822,311</u>	<u>8,272,505</u>
Accruals and deferred income	128,466	186,980
	<u>8,950,777</u>	<u>8,459,485</u>

The bank has a charge over Salar House, one of the investment properties, securing all monies due or to become due from the company. A cross guarantee was provided to the bank securing all monies due from the company and its fellow group companies.

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2012 £	2011 £
Overdrafts	<u>23,495</u>	<u>46,346</u>

15. Commitments under operating leases

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	15,573	-	25,165
Within 2 to 5 years	95,925	64,159	95,925	49,152
	<u>95,925</u>	<u>79,732</u>	<u>95,925</u>	<u>74,317</u>

R Borrás Construction Limited

Notes to the Financial Statements

Year ended 31 December 2012

16. Related party transactions

As 100% of the company's voting rights are controlled within Borrás Group Holdings Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has not disclosed transactions or balances with entities which form part of the group. The group financial statements of Borrás Group Holdings Limited, within which the company is included, can be obtained from the address given on page 1.

During the year, the company paid rent totalling £95,925 (2011: £95,925) to R Borrás Construction Limited Pension Scheme in respect of the property at Salar House, Campfield Road, St Albans, Herts. Mr R D Borrás and Mrs C A Borrás, the directors of the company, are Trustees and Members of the Pension Scheme.

Included in other debtors are the following:
£4,973,602 (2011: £4,370,327) due from RBC Property Investments Limited, a company in which Mr R D Borrás and Mrs C A Borrás are directors and shareholders. This relates to financial arrangements and is interest free.

£965,130 (2011: £880,070) due from World Channel Network Limited, a company in which Mr R D Borrás is a director and shareholder. During the year, a part provision of £734,519 was made against this loan. This is an interest free loan.

17. Share capital

Allotted, called up and fully paid.

	2012	£	2011	£
	No		No	
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

18. Share options reserve

	2012	2011
	£	£
Balance brought forward	<u>137,122</u>	<u>137,122</u>
Balance carried forward	<u>137,122</u>	<u>137,122</u>

19. Profit and loss account

	2012	2011
	£	£
Balance brought forward	10,246,319	9,742,847
Profit for the financial year	621,835	543,472
Equity dividends	<u>(32,000)</u>	<u>(40,000)</u>
Balance carried forward	<u>10,836,154</u>	<u>10,246,319</u>

R Borrás Construction Limited

Notes to the Financial Statements

Year ended 31 December 2012

20. Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Profit for the financial year	621,835	543,472
Equity dividends	(32,000)	(40,000)
Net addition to shareholders' funds	589,835	503,472
Opening shareholders' funds	10,977,421	10,473,949
Closing shareholders' funds	<u>11,567,256</u>	<u>10,977,421</u>

21. Ultimate parent company

The immediate and ultimate parent company was Borrás Group Holdings Limited, a company incorporated in England and Wales, which holds 100% of the issued share capital

The only group in which the results of the company are consolidated is that headed by Borrás Group Holdings Limited. The group financial statements of this company are available to the public and may be obtained from the registered office as stated on page 1 or Companies House, Cardiff

22. Ultimate controlling party

The ultimate controlling party is Mr R D Borrás, a director in the company, who owns 89% of the share capital of the parent company