Registered number: 01520021

BORRAS CONSTRUCTION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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COMPANY INFORMATION

Directors	Mr R D Borras Mrs C A Borras Mr M Lennard Mr M G Howlett Mr P Pickering
Company secretary	Mrs C A Borras
Registered number	01520021
Registered office	1 Salar House Campfield Road St Albans Hertfordshire AL1 5HT
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Euro House 1394 High Road London N20 9YZ
Bankers	Barclays Bank PLC 22/24 Upper Marlborough Road St Albans Hertfordshire AL1 3HJ

BORRAS CONSTRUCTION LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The directors present their strategic report for the year ended 31 December 2016.

Business review

The turnover of £51.6m for 2016 is a record year and an increase on 2015 in what remains a competitive industry. The profit before tax of £950k met the target set.

The cash position is good.

The directors consider the performance of the company in 2016 to be satisfactory and continues the trend of stability and consistency established in recent years and establishes a good platform for another successful year in 2017.

Principal risks and uncertainties

The award of new orders in 2016 was affected by the uncertainties that resulted from the vote to leave the EU together with an increasingly bureaucratic process when awarding public contracts. Whilst this is likely to continue in 2017, a well-resourced marketing and business development team and continuing high level of tender opportunities places us in a good position to minimise any impact.

The identification and recruitment of high quality suitable staff is critical to the future of the business. To increase the resources devoted to this activity we have employed an internal recruitment manager.

It is also essential that we maintain our existing staff and ensure they remain motivated and well rewarded.

The industry remains competitive with pressure on resources and costs, whilst tender prices remained largely at the same relative level with some negative tendering apparent.

Financial key performance indicators

Key Performance Indicators (KPI) are set each year for the company and each of the operating divisions. The scores are reviewed on a regular basis at the management meeting at the end of each quarter.

The tender success rate on all submitted tenders was 1 in 3.6 that met our target. Our customer satisfaction based upon completed questionnaires was 95%. We completed 220 days of training with our employees in 2016 at an average of 1.98 days per employee.

Development and performance

The strategy and targets for 2017 reflect the underlying performance of each of the operating divisions, the order book and the expected market conditions.

We must continue to recognise the challenging conditions we operate in and the need to remain competitive, customer focused, manage risk and deliver projects successfully. The objectives set will ensure we meet our targets and maintain our position as a leading SME building contractor, whilst retaining the traditional family values of the business.

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

Carol Borras

Mrs C A Borras
Secretary

Date: 27-04-2017

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

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

Results and dividends

The profit for the year, after taxation, amounted to £821,417 (2015 - £819,493).

During the year, dividends totalling £221,141 (2015 - £283,832) were paid.

Directors

The directors who served during the year were:

Mr R D Borras
Mrs C A Borras
Mr M Lennard
Mr M G Howlett
Mr P Pickering

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;
- 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.

Post balance sheet events

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

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.

Auditors

The auditors, MHA MacIntyre Hudson, 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.

Carol Borras

Mrs C A Borras
Secretary

Date: 27-04-2017

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BORRAS CONSTRUCTION LIMITED

We have audited the financial statements of Borras Construction Limited for the year ended 31 December 2016, set out on pages 7 to 26. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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 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 Financial Reporting Council'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 Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 matter 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 those financial statements and such reports have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BORRAS CONSTRUCTION LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

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

- adequate accounting records have not been kept, 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 Auditors

Euro House
1394 High Road
London
N20 9YZ
Date: 27th April 2017.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover	3	**51,567,163**	49,154,778
Cost of sales		**(47,688,679)**	(45,466,803)
Gross profit		**3,878,484**	3,687,975
Administrative expenses		**(3,205,258)**	(2,934,698)
Other operating income	4	**260,010**	242,699
Operating profit	5	**933,236**	995,976
Interest receivable and similar income	9	**16,511**	19,254
Interest payable and expenses	10	**-**	(127)
Profit before tax		**949,747**	1,015,103
Tax on profit	11	**(128,330)**	(195,610)
Profit for the year		**821,417**	819,493
Other comprehensive income for the year			
Other comprehensive income		**-**	88,500
Other comprehensive income for the year		**-**	88,500
Total comprehensive income for the year		**821,417**	907,993

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 10 to 26 form part of these financial statements.

BORRAS CONSTRUCTION LIMITED
REGISTERED NUMBER:01520021

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note		2016 £		2015 £
Fixed assets					
Tangible assets	13		**248,610**		164,323
Investments	15		**50**		50
Investment property	14		**1,055,000**		1,535,000
			1,303,660		1,699,373
Current assets					
Debtors: amounts falling due within one year	16	**16,128,930**		11,570,919	
Cash at bank and in hand	17	**3,400,048**		6,550,176	
		19,528,978		18,121,095	
Creditors: amounts falling due within one year	18	**(10,928,432)**		(10,346,767)	
Net current assets			**8,600,546**		7,774,328
Total assets less current liabilities			**9,904,206**		9,473,701
Provisions for liabilities					
Deferred tax	19	**(21,702)**		(191,473)	
			(21,702)		(191,473)
Net assets			**9,882,504**		9,282,228
Capital and reserves					
Called up share capital	21		**1,000**		1,000
Investment property revaluation reserve	20		**477,980**		877,980
Profit and loss account	20		**9,403,524**		8,403,248
			9,882,504		9,282,228

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

Mr R D Borras
Director

Date: 27.04.2017

The notes on pages 10 to 26 form part of these financial statements.

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

	Called up share capital	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	**1,000**	**789,480**	**7,867,587**	**8,658,067**
Profit for the year	-	-	819,493	819,493
Revaluation of investment property	-	88,500	-	88,500
Dividends: Equity capital	-	-	(283,832)	(283,832)
At 1 January 2016	**1,000**	**877,980**	**8,403,248**	**9,282,228**
Profit for the year	-	-	821,417	821,417
Realisation of revaluation gain on sale of investment property	-	-	400,000	400,000
Dividends: Equity capital	-	-	(221,141)	(221,141)
Realisation of revaluation gain on sale of investment property	-	(400,000)	-	(400,000)
At 31 December 2016	**1,000**	**477,980**	**9,403,524**	**9,882,504**

The notes on pages 10 to 26 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

Borras Construction Limited is a private company limited by shares incorporated in England. Its principal place of business and registered office is detailed on page 1.

The financial statements have been prepared under the historical cost convention modified by the revaluation of certain fixed assets and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 2). The financial statements are prepared in sterling (£) and rounded to £1.

The following principal accounting policies have been applied:

1.2 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);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of B.G.H Limited as at 31 December 2016 and these financial statements may be obtained from the registered office, 1 Salar House, Campfield Road, St Albans, Hertfordshire, AL1 5HT.

1.3 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

1. Accounting policies (continued)

1.4 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 period 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 end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	-	33% reducing balance
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	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.

1. Accounting policies (continued)

1.6 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, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

1.7 Investment property

Investment property is carried at fair value determined annually by either directors or external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

1.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Company shares, including investments in associates, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.9 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.

1.10 *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.

1. **Accounting policies (continued)**

1.11 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.

1.12 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.

1.13 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.

1.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution pension 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 payments obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.15 Interest income

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

1. Accounting policies (continued)

1.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change 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 balance sheet 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 Balance Sheet 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 balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

1. Accounting policies (continued)

1.17 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 debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet 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 amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.18 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 recognised in turnover in the statement of comprehensive income.

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.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors consider that the critical accounting policies where judgements and estimations have been applied relate to the tangible asset lives and amounts recoverable on long term contracts. In respect of the life of tangible fixed assets, judgements are made on the useful economic life and residual values of plant and machinery. The directors have concluded that the asset values and residual values are appropriate. In respect of amounts recoverable on contracts, the directors consider the changes in economic conditions have been adequately reflected in respect of all estimates. In respect of the fair value of investment property, judgements are disclosed in note 14.

3. *Turnover*

All turnover arose within the United Kingdom.

4. Other operating income

	2016 £	2015 £
Other operating income	**45,345**	818
Net rents receivable	**72,140**	60,446
Sundry income	**142,525**	181,435
	260,010	242,699

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	**69,909**	69,184
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**12,000**	12,000
Other operating lease rentals	**157,778**	151,366
Defined contribution pension cost	**77,677**	80,293
Profit on sale of tangible assets	**(30,926)**	(966)

6. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	**12,000**	12,000
	12,000	12,000
	-	-
Fees payable to Company's auditor in respect of:		
Other services relating to taxation	**2,400**	2,400
All other services	**6,480**	16,355
	8,880	18,755

7. Employees

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

	2016 £	2015 £
Wages and salaries	**6,134,198**	5,403,808
Social security costs	**671,652**	610,305
Cost of defined contribution scheme	**77,677**	80,293
	6,883,527	6,094,406

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

	2016 No.	2015 No.
Construction staff	**93**	90
Administrative staff	**24**	27
	117	117

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	**376,496**	574,189
Company contributions to defined contribution pension schemes	**40,602**	43,298
	417,098	617,487

During the year retirement benefits were accruing to 5 directors (2015 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £116,750 (2015 - £211,310).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,838 (2015 - £5,584).

9. Interest receivable

	2016 £	2015 £
Other interest receivable	**16,511**	19,254
	16,511	19,254

10. Interest payable and similar charges

	2016 £	2015 £
Other interest payable	**-**	127
	-	127

11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	**298,102**	205,937
	298,102	205,937
Total current tax	**298,102**	205,937
Deferred tax		
Origination and reversal of timing differences	**(169,772)**	(10,327)
Total deferred tax	**(169,772)**	(10,327)
Taxation on profit on ordinary activities	**128,330**	195,610

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	**949,747**	1,015,103
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	**189,949**	205,558
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**46,249**	2,777
Short term timing differences leading to an increase (decrease) in taxation	**164**	2,392
Other timing differences leading to an increase (decrease) in taxation	**(169,772)**	(15,117)
Capital gains	**61,740**	-
Total tax charge for the year	**128,330**	195,610

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2016 £	2015 £
Dividends paid on equity capital	**221,141**	283,832
	221,141	283,832

13. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2016	**251,161**	**122,492**	**215,212**	**588,865**
Additions	**80,235**	**64,565**	**25,111**	**169,911**
Disposals	**(80,268)**	**-**	**-**	**(80,268)**
At 31 December 2016	**251,128**	**187,057**	**240,323**	**678,508**
Depreciation				
At 1 January 2016	**183,214**	**85,340**	**155,988**	**424,542**
Charge for the period on owned assets	**36,874**	**5,647**	**27,388**	**69,909**
Disposals	**(64,553)**	**-**	**-**	**(64,553)**
At 31 December 2016	**155,535**	**90,987**	**183,376**	**429,898**
Net book value				
At 31 December 2016	**95,593**	**96,070**	**56,947**	**248,610**
At 31 December 2015	67,947	37,152	59,224	164,323

14. Investment property

	Freehold investment property £
Valuation	
At 1 January 2016	**1,535,000**
Disposals	**(480,000)**
At 31 December 2016	**1,055,000**

During the year the company sold an investment property, for £500,000.

Investment properties were valued by the directors at 31 December 2016 at fair value, based on existing use.

	2016 £	2015 £
Revaluation reserves		
At 1 January 2016	**877,980**	789,480
Net surplus/(deficit) on revaluation	**-**	88,500
Sale of property	**(400,000)**	-
At 31 December 2016	**477,980**	877,980

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2016 £	2015 £
Historic cost	**577,020**	657,020
	577,020	657,020

15. Fixed asset investments

	Investments in associates £
Cost or valuation	
At 1 January 2016	**50**
At 31 December 2016	**50**
Net book value	
At 31 December 2016	**50**
At 31 December 2015	50

Participating interests

The company holds 50% of the ordinary share capital of Central Accounts Limited. At the balance sheet date, Central Accounts Limited had deficient aggregate share capital and reserves of £3,091 (2015 - £3,064) and had generated a loss for the period of £27 (2015 - £3,164).

16. Debtors

	2016 £	2015 £
Trade debtors	**6,781,095**	5,256,613
Amounts owed by group undertakings	**100**	-
Amounts owed by joint ventures and associated undertakings	**15,000**	10,829
Other debtors	**5,854,800**	2,624,081
Prepayments and accrued income	**184,671**	159,456
Amounts recoverable on long term contracts	**3,293,264**	3,519,940
	16,128,930	11,570,919

17. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	**3,400,048**	6,550,176
	3,400,048	6,550,176

18. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	**9,979,721**	9,292,750
Amounts owed to group undertakings	**18,315**	18,315
Amounts owed to associates	**50**	-
Corporation tax	**196,415**	100,937
Other taxation and social security	**320,233**	441,776
Other creditors	**215,875**	248,924
Accruals and deferred income	**197,823**	244,064
	10,928,432	10,346,766

19. *Deferred taxation*

	2016 £	2015 £
At beginning of year	**(191,474)**	(201,800)
Charged to profit or loss	**169,772**	10,327
At end of year	**(21,702)**	(191,473)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	**2,377**	2,293
On revaluation of investment property	**(24,079)**	(193,766)
	(21,702)	(191,473)

20. Reserves

Investment property revaluation reserve

The investment property revaluation reserve comprises current and prior uplift to investment properties. Changes in reserves are set out in the Statement of Changes in Equity.

Profit and loss account

The profit and loss account is represented by retained earnings. Changes in reserves are set out in the Statement of Changes in Equity.

21. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each shares of £1 each	**1,000**	1,000

22. 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 administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £96,182 (2015 - £80,293). Contributions totalling £17,003 (2015 - £15,757) were payable to the fund at the year end and are included in creditors.

23. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	**104,969**	108,063
Later than 1 year and not later than 5 years	**129,568**	75,007
	234,537	183,070

24. Post balance sheet events

On 7 April 2017, dividends of £137,433 were approved on the Ordinary shares.

25. Transactions with directors

The company owes £198,585 (2015 - £222,081) to the directors.

26. Related party transactions

As 100% of the company's voting rights are controlled within the parent company, B.G.H Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 102 section 33 and has not disclosed transactions or balances with entities which form part of the group. The group financial statements of B.G.H Limited, within which the company is included, can be obtained from the registered office.

During the year, the company paid rent totalling £82,500 (2015 - £82,500) to R Borras Construction Limited Pension Scheme in respect of the property at Salar House, Campfield Road, St. Albans, Herts. Mr R D Borras and Mrs C A Borras, the directors of the company, are Trustees and Members of the Pension Scheme. No balances were outstanding at the year end.

During the year, the company received management charges of £87,645 (2015 - £181,435) from T&B (Contractors) Limited, a company in which Mr R D Borras and Mrs C A Borras are directors.

During the year the company received £105,801 (2015 - £114,173) from T&B (Contractors) Limited for their share of the directors' remuneration of its common directors Mr R D Borras and Mrs C A Borras.

Included in trade debtors at the year end is £19,786 (2015 - £Nil) receivable from T&B (Contractors) Limited, a company in which Mr R D Borras and Mrs C A Borras are directors.

Included in other debtors are the following:
£5,592,814 (2015 - £2,366,305) due from RBC Property Developments Limited, a company in which Mr R D Borras and Mrs C A Borras are directors and shareholders. This relates to financing arrangements and is interest free, unsecured and repayable on demand.

During the year the company made sales of £2,007,232 (2015 - £3,431,147) to RBC Property Developments Limited. During the year the company received management charges totalling £54,880 from RBC Property Developments Limited. Included in trade debtors at the balance sheet date was £78,692 (2015 - £Nil) owed by RBC Property Developments Limited.

During the year, the company paid management charges of £113,801 (2015 - £28,972) to Central Accounts Limited, a company which is 50% owned by Borras Construction Limited. At the year end, £14,950 (2015 - £10,829) was due from Central Accounts Limited. This relates to trade and financing arrangements which are interest free, unsecured and repayable on demand.

During the year, the company made sales of £351,950 (2015 - £12,540) to St Albans Cathedral, in which Mrs C A Borras is a Canon. No balances were outstanding at the year end.

27. Controlling party

The immediate parent company is Borras Group Holdings Limited, a company incorporated in England and Wales, which holds 100% of the issued share capital.

The ultimate parent company is B.G.H Limited, a company incorporated in England and Wales. The group financial statements are available to the public and may be obtained from the registered office or Companies House, Cardiff.

The company was under the joint control of Mr R D Borras and Mrs C A Borras in the current and previous year through their shareholdings in B.G.H Limited.