

Co House

SEH (Asphalt) Limited

Report and Financial Statements

Year Ended

31 December 2016

Company Number 02707607



SEH (Asphalt) Limited

Company Information

Directors	D W Brown G A Day R W Neall
Company secretary	T M Dixon
Registered number	02707607
Registered office	30 White House Road Ipswich Suffolk IP1 5LT
Independent auditor	BDO LLP 2nd Floor, Yare House 62-64 Thorpe Road Norwich Norfolk NR1 1RY

SEH (Asphalt) Limited

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SEH (Asphalt) Limited

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 company's principal activity during the year was that of surfacing contractors.

Results and dividends

The profit for the year, after taxation, amounted to £213,327 (2015 - £242,653).

The directors have declared a dividend of £200,000 (2015 - £200,000).

Directors

The directors who served during the year were:

D W Brown
G A Day
R W Neall

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 2 June 2017 and signed on its behalf.



R W Neall
Director

SEH (Asphalt) Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2016

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

SEH (Asphalt) Limited

Independent Auditor's Report to the Members of SEH (Asphalt) Limited

We have audited the financial statements of SEH (Asphalt) Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 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 responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 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 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.

SEH (Asphalt) Limited

Independent Auditor's Report to the Members of SEH (Asphalt) Limited

Matters on which we are required to report by exception

In 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 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; or
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Nicholas Buxton (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Norwich
United Kingdom

7 JUNE 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SEH (Asphalt) Limited

Statement of Comprehensive Income For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	3,498,315	4,940,494
Cost of sales		(2,776,379)	(4,128,467)
Gross profit		721,936	812,027
Administrative expenses		(462,337)	(521,901)
Operating profit	5	259,599	290,126
Interest receivable and similar income	8	8,945	16,632
Interest payable and similar charges	9	(1,595)	(1,371)
Profit on ordinary activities before taxation		266,949	305,387
Taxation on profit/(loss) on ordinary activities	10	(53,622)	(62,734)
Profit for the financial year		213,327	242,653
Other comprehensive income		-	-
Total comprehensive income for the year		213,327	242,653

The notes on pages 8 to 22 form part of these financial statements.

SEH (Asphalt) Limited
Registered number:02707607

Statement of Financial Position
As at 31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	12		374,459		325,337
			<u>374,459</u>		<u>325,337</u>
Current assets					
Stocks	13	3,522		3,107	
Debtors: amounts falling due after more than one year	14	203,459		236,529	
Debtors: amounts falling due within one year	14	947,345		730,448	
Cash at bank and in hand		1,364,397		1,698,717	
		<u>2,518,723</u>		<u>2,668,801</u>	
Creditors: amounts falling due within one year	15	(1,123,145)		(1,279,182)	
Net current assets			<u>1,395,578</u>		<u>1,389,619</u>
Total assets less current liabilities			<u>1,770,037</u>		<u>1,714,956</u>
Creditors: amounts falling due after more than one year	16		(37,202)		-
Provisions for liabilities					
Deferred tax	17		(6,225)		(1,673)
Net assets			<u><u>1,726,610</u></u>		<u><u>1,713,283</u></u>
Capital and reserves					
Called up share capital	18		62,505		62,505
Share premium account	19		4,227		4,227
Profit and loss account	19		1,659,878		1,646,551
Total equity			<u><u>1,726,610</u></u>		<u><u>1,713,283</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

2 JUNE 2017

R W Neall
Director

The notes on pages 8 to 22 form part of these financial statements.

SEH (Asphalt) Limited

Statement of Changes in Equity For the Year Ended 31 December 2016

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2016	62,505	4,227	1,646,551	1,713,283
Comprehensive income for the year				
Profit for the year	-	-	213,327	213,327
Total comprehensive income for the year	-	-	213,327	213,327
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(200,000)	(200,000)
Total transactions with owners	-	-	(200,000)	(200,000)
At 31 December 2016	62,505	4,227	1,659,878	1,726,610

Statement of Changes in Equity For the Year Ended 31 December 2015

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2015	62,505	4,227	1,603,898	1,670,630
Comprehensive income for the year				
Profit for the year	-	-	242,653	242,653
Total comprehensive income for the year	-	-	242,653	242,653
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(200,000)	(200,000)
Total transactions with owners	-	-	(200,000)	(200,000)
At 31 December 2015	62,505	4,227	1,646,551	1,713,283

The notes on pages 8 to 22 form part of these financial statements.

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

1. General information

SEH (Asphalt) Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The entity is a private company limited by shares.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- 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 One Group Construction Limited as at 31 December 2016 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.3 Turnover

Turnover consists of income derived from short term and long term contracts on a variety of differing commercial projects. Invoices for short term contracts are raised as the work progresses and turnover is realised accordingly. Turnover for long term contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous periods. The amounts of profit attributable to the stage of completion of a long term contract is recognised when the outcome can be foreseen with reasonable certainty. Provision is made for any losses which are foreseen. Applications for stage payments are issued on a monthly basis and are net of value added tax, where appropriate, and trade discounts.

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets and depreciation

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated.

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method or diminishing balance method.

Freehold property	-	2% - 10% straight line
Plant & machinery	-	12.5% - 20% reducing balance
Motor vehicles	-	25% reducing balance
Furniture, fitting and equipment	-	20% reducing balance

2.5 Impairment of fixed assets

Assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.6 Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.7 Long-term contracts

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments received from clients. Payments received from clients in excess of the turnover recognised are included within payments on account in creditors. Amounts included within work in progress represent costs incurred on contracts in their initial stages as at the year end for which no application for payment has been made.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 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.

2.11 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.

2.12 Pension

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.14 Finance costs

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

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a 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 reporting date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position 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 reporting date.

2.16 Dividends

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

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

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

In preparing these financial statements the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 12)

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

- Contract accounting (see note 14)

The company applies its policies on turnover and contracts when recognising revenue and profit on partially completed contracts. The application of this policy requires judgements to be made in respect of the total expected costs to complete and the profit margin achievable on each contract. The company has in place established internal control processes to ensure that the evaluation of costs and revenues is based upon appropriate estimates.

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

4. Turnover

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets - owned by the company	36,615	59,517
Depreciation of tangible fixed assets - held under finance leases	30,745	14,896
Auditor's remuneration	5,060	4,865
Operating lease payments - plant and machinery	15,248	13,107
	<u>15,248</u>	<u>13,107</u>

6. Employees

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

	2016 £	2015 £
Wages and salaries	700,697	672,572
Social security costs	71,512	64,295
Cost of defined contribution scheme	20,100	19,579
	<u>792,309</u>	<u>756,446</u>

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

	2016 No.	2015 No.
Directors	2	2
Indirect	1	1
Direct	15	14
	<u>18</u>	<u>17</u>

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	162,098	179,120
Company contributions to defined contribution pension schemes	14,247	13,829
	<u>176,345</u>	<u>192,949</u>

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £95,714 (2015 - £96,626).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,733 (2015 - £7,293).

8. Interest receivable

	2016 £	2015 £
Interest receivable from group companies	<u>8,945</u>	<u>16,632</u>

9. Interest payable and similar charges

	2016 £	2015 £
Finance leases and hire purchase contracts	<u>1,595</u>	<u>1,371</u>

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

10. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	49,070	64,716
Total current tax	<u>49,070</u>	<u>64,716</u>
Deferred tax (see note 14)		
Origination and reversal of timing differences	4,645	(1,616)
Effect of tax rate change on opening balance	(93)	(366)
Total deferred tax	<u>4,552</u>	<u>(1,982)</u>
Taxation on profit on ordinary activities	<u>53,622</u>	<u>62,734</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher 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	<u>266,949</u>	<u>305,387</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	53,390	61,841
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,146	1,067
Deferred tax change in rate	(914)	(163)
Other adjustments	-	(11)
Total tax charge for the year	<u>53,622</u>	<u>62,734</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

11. Dividends

	2016 £	2015 £
Dividends proposed and authorised on equity capital	<u>200,000</u>	<u>200,000</u>

On 13 December 2016 the directors proposed and authorised a dividend of £200,000 which is included within creditors at the year end.

The prior year dividend of £200,000 was paid during the year.

12. Tangible fixed assets

	Freehold property £	Plant & machinery etc. £	Total £
Cost or valuation			
At 1 January 2016	56,217	547,163	603,380
Additions	-	181,021	181,021
Disposals	-	(163,000)	(163,000)
At 31 December 2016	<u>56,217</u>	<u>565,184</u>	<u>621,401</u>
Depreciation			
At 1 January 2016	8,775	269,268	278,043
Charge for the year	450	66,910	67,360
Disposals	-	(98,461)	(98,461)
At 31 December 2016	<u>9,225</u>	<u>237,717</u>	<u>246,942</u>
Net book value			
At 31 December 2016	<u>46,992</u>	<u>327,467</u>	<u>374,459</u>
At 31 December 2015	<u>47,442</u>	<u>277,895</u>	<u>325,337</u>

The net book value of plant and machinery for the company includes an amount of £209,589 (2015 - £59,584) in respect of assets held under finance lease and hire purchase contracts.

Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the company has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

13. Stocks

	2016 £	2015 £
Raw materials and consumables	<u>3,522</u>	<u>3,107</u>

Stock recognised in cost of sales during the year as an expense was £1,982,234 (2015 - £3,282,396).

14. Debtors

	2016 £	2015 £
Due after more than one year		
Trade debtors	<u>203,459</u>	<u>236,529</u>
Due within one year		
Trade debtors	133,797	313,413
Amounts owed by group undertakings	133,643	44,238
Other debtors	5,191	5,730
Amounts recoverable on long term contracts	674,714	367,067
	<u>947,345</u>	<u>730,448</u>

15. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	752,829	876,517
Amounts owed to group undertakings	173,826	209,540
Corporation tax	37,070	52,716
Taxation and social security	27,311	22,781
Obligations under finance lease and hire purchase contracts	26,548	4,111
Other creditors	105,561	113,517
	<u>1,123,145</u>	<u>1,279,182</u>

The finance lease and hire purchase creditors of £63,750 (2015 - £4,111) are secured on the net assets to which they relate.

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

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

	2016 £	2015 £
Net obligations under finance leases and hire purchase contracts	37,202	-

The finance lease and hire purchase creditors of £63,750 (2015 - £4,111) are secured on the net assets to which they relate.

The maturity of obligations under finance leases and hire purchase contracts are as follows:

	2016 £	2015 £
Within one year	26,548	4,111
In second to fifth year	37,202	-
	63,750	4,111

17. Deferred taxation

	2016 £
At beginning of year	1,673
Charged to the profit or loss	4,552
At end of year	6,225

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	6,458	1,910
Short term timing differences	(233)	(237)
	6,225	1,673

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

18. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
62,500 Ordinary 'A' shares of £1 each	62,500	62,500
5 Ordinary 'B' shares of £1 each	5	5
	<u>62,505</u>	<u>62,505</u>

In the event of winding up of the company, the Ordinary 'A' shares have first rights for repayment of up to £1,501,419 in proportion to the number of 'A' shares held. Thereafter, the remaining assets of the company will be distributed as follows; 80% to the controlling holders of 'A' shares, 10% to the remaining holders of 'A' shares and 10% to the holders of 'B' shares.

The right to any dividend declared shall be received, 80% to the controlling holders of 'A' shares, 10% to the remaining holders of 'A' shares and 10% to the holders of 'B' shares.

19. Reserves

The company's reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

20. Contingent liabilities

There is a contingent liability in respect of guarantees given by the company, in common with fellow subsidiaries, to its bankers for loan and overdraft facilities granted to the ultimate parent company, One Group Construction Limited and its subsidiaries. The debt is further secured by legal charges over property owned by the group.

At the year end other group companies had loans amounting to £3,535,000 (2015 - £4,425,000). At the year end other companies had gross overdrafts amounting to £14,156,491 (2015 - £14,684,659). The group has a right of set off between overdrafts and current account balances. At the year end other group companies had current account balances totalling £26,973,009 (2015 - £19,684,377) fully off-setting the gross overdraft balances when combined with the current account balance of the individual company.

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

21. Pension costs

The company is a member of the group's defined contribution pension scheme, the assets of which 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 scheme and amounted to £20,100 (2015 - £19,579).

Included within creditors is £1,367 (2015 - £1,317) relating to outstanding pension contributions.

22. 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	15,195	15,195
Later than 1 year and not later than 5 years	21,963	37,198
Total	37,158	52,393

23. Related party transactions

The following transactions took place with fellow group subsidiaries during the year:

	2016 £	2015 £
Sales		
S.E.H (Ipswich) Limited	427,184	354,312
Emmitt Plant Limited	3,916	160
SEH French Limited	22,211	21,366
Jackson Frameworks Limited	30,154	19,374
Jackson Civils Limited	-	15,203
Total	483,465	410,415

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

Related party transactions (continued)

	2016 £	2015 £
Purchases		
S.E.H (Ipswich) Limited	1,394	1,141
Emmitt Plant Limited	88,011	89,306
One Group Construction Limited	27,945	25,864
SEH (Property and Administration) Limited	2,661	3,574
Jackson Civil Engineering Group Limited	3,106	2,441
Total	123,117	122,326

The following amounts, included within amounts due from and to fellow group subsidiaries outstanding at 31 December 2016:

	2016 £	2015 £
Creditors		
S.E.H (Ipswich) Limited	-	415
Emmitt Plant Limited	13,286	22,697
SEH (Property and Administration) Limited	-	26,428
SEH Group Limited	160,000	160,000
Jackson Civil Engineering Group Limited	540	-
Total	173,826	209,540

	2016 £	2015 £
Debtors		
S.E.H (Ipswich) Limited	68,098	44,238
SEH French Limited	4,859	-
SEH (Property and Administration) Limited	60,686	-
Total	133,643	44,238

SEH (Asphalt) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

Related party transactions (continued)

During the year management charges of £74,518 (2015 - £72,268) were paid to SEH (Property and Administration) Limited, a fellow group subsidiary.

During the year group interest of £8,945 (2015 - £16,632) was received from SEH (Property and Administration) Limited, a fellow group subsidiary.

During the year the company proposed dividends amounting to £200,000 (2015 - £200,000). Of these dividends £160,000 (2015 - £160,000) are payable to SEH Group Limited, £20,000 (2015 - £20,000) to D Brown and £20,000 (2015 - £20,000) to G Day.

During the year rent paid of £600 (2015 - £600) was paid to SEH (Property and Administration) Limited, a fellow group subsidiary.

24. Ultimate parent undertaking and controlling party

The company is controlled by SEH Group Limited. The ultimate controlling party is One Group Construction Limited.

The only group for which the results of the company are consolidated is that headed by One Group Construction Limited, the company's ultimate parent undertaking, which is registered in England and Wales. Copies of the consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.