

COMPANY REGISTRATION NUMBER: 04716632

R & M WILLIAMS (HOLDINGS) LIMITED
FINANCIAL STATEMENTS
30 JANUARY 2017



R & M WILLIAMS (HOLDINGS) LIMITED

FINANCIAL STATEMENTS

Year ended 30 January 2017

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R & M WILLIAMS (HOLDINGS) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Director

Mr M J Williams

Registered office

West Point Industrial Estate
Penarth Road
Cardiff
CF11 8JQ

Auditor

Kilsby & Williams LLP
Chartered Accountants & statutory auditor
Cedar House
Hazell Drive
Newport
South Wales
NP10 8FY

R & M WILLIAMS (HOLDINGS) LIMITED

STRATEGIC REPORT

Year ended 30 January 2017

Review of the year and future outlook

The group's main goals for 2016/17 were to continue to develop the group as one of Wales leading multi-disciplined contractors, to deliver strong profits for its shareholder and to demonstrate its strong commercial standing. Although we continue to demonstrate our market standing, this year's commercial performance has been particularly disappointing in R&M Williams Ltd. The sale of FRS solutions Limited shareholding has underpinned a very successful year in R&M Williams (Holdings) Limited, accepting that the consolidated position for the group is a loss.

The loss of sales resulting from significant contracts being deferred which ultimately resulted in losses within R&M Williams Ltd has been turned around dramatically in the 10 month period to November 2017. Increased margins on current contracts within R& M Williams Ltd has seen the business respond very positively with a return to profitability in the financial period to November 2017.

The group's main goals and achievements for 2017 are:

- 1) To maintain the groups profile as one of Wales leading multi-disciplined construction contractor; this has been achieved by further awards in the residential sector with appointment to Cardiff City Council framework across all lots, Cardiff University Framework as well as appointment to Sewscap 2; Wales largest publicly funded construction framework.
- 2) Development of the R&M Homes brand; following entry to the new build housing market R&M have now developed a bespoke private sale brand of new build homes. This will now be rolled out over the next two years across Wales on various developments already owned by the group and is considered move away from low margin turnkey opportunities with housing associations.
- 3) Improve quality and scale of construction contracts; this has been achieved through award of the £4.3m new fire station at coastal housing strand and High Street building's in Swansea. We again received National recognition through RICS awards.
- 4) To gain market share in the west of England; geographical expansion and entry to new markets has been achieved in Bristol with establishment of a satellite office at Fishponds and award of high profile contracts such as Bristol Airport Fire Rescue Centre and notable trade contractor appointments.
- 5) Investment in staff and infrastructure has been significant with investment and relocation of our Swansea regional Office and further investment in staff recruitment and development which was recognised most notably within the Women in Property Student Awards.
- 6) Implementation of advanced contract management software along with an enhanced contract value reporting protocol has improved the accuracy and transparency in contract reporting and results. Significant investment in IT and off site data storage also ensures the group intellectual property and records are suitably catered for.

Across the group we continue to strive for efficiencies and have established an Executive Board to look more aggressively at intercompany trading and efficiency of overhead across all sectors such as purchasing, administration and cash management alongside greater emphasis on pipeline to avoid slippage on forecast sales.

Commensurate with the construction industry the Directors believe the key business performance indicators are turnover, gross margin and profit before tax. Performance of the group was as follows:

	2017	2016
	£'000	£'000
Turnover	40,420	40,193
Gross profit (%)	6	9
Profit/(Loss) before taxation	(656)	285

R & M WILLIAMS (HOLDINGS) LIMITED

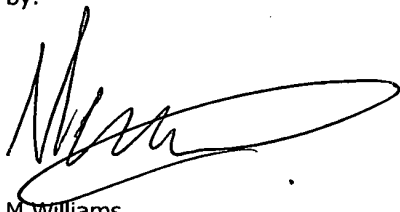
STRATEGIC REPORT *(continued)*

Year ended 30 January 2017

Risks and uncertainties

We need to recognise the potential risk and uncertainty with BREXIT. A significant proportion of R&M group turnover is via public sector in Wales, which is highly supported by European funding. As this support is withdrawn if not supported by central government, we could see a downturn in opportunity and revenue in the social housing sector and within publicly funded education projects. To counter act this uncertainty R&M Group as noted above, have expanded geographically and sort to reduce exposure in in the social housing new build sector whilst reinforcing our position within the social housing maintenance sector. The implementation of the aforementioned strategies and policies will show rewards within the next financial year as the R&M Williams group return strongly to profitability and growth.

This report was approved by the board of directors on 30/11/2018 and signed on behalf of the board by:



M Williams
Director

R & M WILLIAMS (HOLDINGS) LIMITED

DIRECTOR'S REPORT

Year ended 30 January 2017

The director presents his report and the financial statements of the group for the year ended 30 January 2017.

Director

The director who served the company during the year was as follows:

Mr M J Williams

Dividends

The director does not recommend the payment of a dividend.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 we set out in the company's strategic report information required by schedule 7 of the Large and Medium sized companies and Groups (Accounts and report) Regulations 2008.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

R & M WILLIAMS (HOLDINGS) LIMITED

DIRECTOR'S REPORT *(continued)*

Year ended 30 January 2017

The director is 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. He is 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 30/1/2018 and signed on behalf of the board by:



M Williams
Director



**KILSBY
WILLIAMS**
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R & M WILLIAMS (HOLDINGS) LIMITED

Year ended 30 January 2017

We have audited the financial statements of R & M Williams (Holdings) Limited for the year ended 30 January 2017 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes. The 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 FRS 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 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 director and auditor

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

Scope of the audit of the financial statements

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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; 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 director's 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 group's and of the parent company's affairs as at 30 January 2017 and of the group's loss 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.



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R & M WILLIAMS
(HOLDINGS) LIMITED (continued)**

Year ended 30 January 2017

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Simon Tee 30th January 2018

Simon Tee (Senior Statutory Auditor)

For and on behalf of
Kilsby & Williams LLP
Chartered Accountants & statutory auditor
Cedar House
Hazell Drive
Newport
South Wales
NP10 8FY

R & M WILLIAMS (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 January 2017

		2017	2016 (restated)
	Note	£	£
TURNOVER	4	40,420,245	40,192,993
Cost of sales		(38,136,248)	(36,598,104)
GROSS PROFIT		2,283,997	3,594,889
Administrative expenses		(3,846,163)	(3,457,574)
Other operating income	5	221,138	55,303
Profit/(Loss) on disposal of shares in group undertakings		680,095	83,109
OPERATING (LOSS)/PROFIT	6	(660,933)	275,727
Share of profit of joint ventures	15	581	106
Interest receivable	11	4,767	8,972
(LOSS)/PROFIT BEFORE TAXATION		(655,585)	284,805
Taxation on ordinary activities	12	158,825	(86,939)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>(496,760)</u>	<u>197,866</u>
Loss for the financial year attributable to:			
The owners of the parent company		(455,791)	98,090
Non-controlling interests		(40,969)	99,776
		<u>(496,760)</u>	<u>197,866</u>

All the activities of the group are from continuing operations.

The notes on pages 14 to 29 form part of these financial statements.

R & M WILLIAMS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 January 2017

	Note	2017 £	2016 (restated) £
FIXED ASSETS			
Intangible assets	13	–	21,712
Tangible assets	14	833,197	1,068,885
Investments:	15		
Investments in joint-ventures		10,106	9,525
Other fixed asset investments		18,525	18,379
		<u>861,828</u>	<u>1,118,501</u>
CURRENT ASSETS			
Stocks	16	2,036,328	2,185,938
Debtors	17	7,031,808	7,152,320
Cash at bank and in hand		1,775,691	2,946,901
		<u>10,843,827</u>	<u>12,285,159</u>
CREDITORS: amounts falling due within one year	18	(6,287,002)	(7,352,708)
NET CURRENT ASSETS		<u>4,556,825</u>	<u>4,932,451</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,418,653</u>	<u>6,050,952</u>
PROVISIONS			
Taxation including deferred tax	19	80,878	(85,000)
Other provisions	19	(106,250)	–
		<u>(25,372)</u>	<u>(85,000)</u>
NET ASSETS		<u>5,393,281</u>	<u>5,965,952</u>
CAPITAL AND RESERVES			
Called up share capital	23	2,400,000	2,400,000
Other reserves	24	(2,398,000)	(2,398,000)
Profit and loss account	24	5,137,538	5,593,329
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		<u>5,139,538</u>	<u>5,595,329</u>
NON-CONTROLLING INTERESTS		<u>253,743</u>	<u>370,623</u>
		<u>5,393,281</u>	<u>5,965,952</u>

These financial statements were approved by the board of directors and authorised for issue on ~~30/11/2018~~, and are signed on behalf of the board by:



M Williams
Director

Company registration number: 04716632

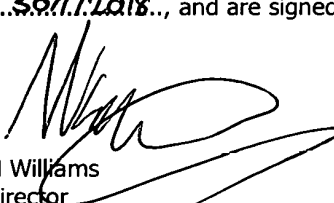
The notes on pages 14 to 29 form part of these financial statements.

R & M WILLIAMS (HOLDINGS) LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
30 January 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	14	–	199,574
Investments	15	2,160,010	2,160,151
		<u>2,160,010</u>	<u>2,359,725</u>
CURRENT ASSETS			
Stocks	16	893,120	888,664
Debtors	17	1,499,927	1,274,033
Cash at bank and in hand		433,005	297,710
		<u>2,826,052</u>	<u>2,460,407</u>
CREDITORS: amounts falling due within one year	18	(450,760)	(816,931)
NET CURRENT ASSETS		<u>2,375,292</u>	<u>1,643,476</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,535,302</u>	<u>4,003,201</u>
NET ASSETS		<u>4,535,302</u>	<u>4,003,201</u>
CAPITAL AND RESERVES			
Called up share capital	23	2,400,000	2,400,000
Profit and loss account	24	2,135,302	1,603,201
SHAREHOLDERS FUNDS		<u>4,535,302</u>	<u>4,003,201</u>

The profit for the financial year of the parent company was £532,101 (2016: £499,172 loss).

These financial statements were approved by the board of directors and authorised for issue on 30.1.2018, and are signed on behalf of the board by:


M Williams
Director

Company registration number: 04716632

The notes on pages 14 to 29 form part of these financial statements.

R & M WILLIAMS (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 January 2017

	Called up share capital £	Other reserves £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non-controlli ng interests £	Total £
AT 1 FEBRUARY 2015	2,400,000	(2,398,000)	5,495,239	5,497,239	97,702	5,594,941
Profit for the year			98,090	98,090	99,825	197,915
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			98,090	98,090	99,825	197,915
Dividends paid and payable					(114,989)	(114,989)
Disposal of subsidiary with minority interest					288,085	288,085
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS					173,096	173,096
AT 31 JANUARY 2016	2,400,000	(2,398,000)	5,593,329	5,595,329	370,623	5,965,952
Loss for the year			(455,791)	(455,791)	(40,969)	(496,760)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			(455,791)	(455,791)	(40,969)	(496,760)
Dividends paid and payable					(134,301)	(134,301)
Disposal of subsidiary with minority interest					58,390	58,390
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS					(75,911)	(75,911)
AT 30 JANUARY 2017	2,400,000	(2,398,000)	5,137,538	5,139,538	253,743	5,393,281

The notes on pages 14 to 29 form part of these financial statements.

R & M WILLIAMS (HOLDINGS) LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
Year ended 30 January 2017

	Called up share capital £	Profit and loss account £	Total £
AT 1 FEBRUARY 2015	2,400,000	2,102,373	4,502,373
Profit for the year		(499,172)	(499,172)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	(499,172)	(499,172)
AT 31 JANUARY 2016	2,400,000	1,603,201	4,003,201
Loss for the year		532,101	532,101
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	532,101	532,101
AT 30 JANUARY 2017	<u>2,400,000</u>	<u>2,135,302</u>	<u>4,535,302</u>

The notes on pages 14 to 29 form part of these financial statements.

R & M WILLIAMS (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 January 2017

	2017 £	2016 (restated) £
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit for the financial year	(496,760)	197,866
<i>Adjustments for:</i>		
Depreciation of tangible assets	232,187	229,985
Amortisation of intangible assets	5,844	3,788
Share of profit of joint ventures	(581)	(106)
Interest receivable	(4,767)	(8,972)
Loss on disposal of tangible assets	61,241	8,681
Taxation on ordinary activities	(158,825)	86,939
(Profit)/Loss on disposal of subsidiary	(180,193)	83,109
<i>Changes in:</i>		
Stocks	149,610	(652,188)
Trade and other debtors	(357,354)	(2,426,587)
Trade and other creditors	142,057	2,612,498
Provisions and employee benefits	106,250	–
Cash generated from operations	(501,291)	135,013
Interest received	4,767	8,972
Tax (paid)/received	(69,449)	4,095
Net cash (used in)/from operating activities	<u>(565,973)</u>	<u>148,080</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(229,553)	(250,319)
Proceeds from sale of tangible assets	149,513	18,662
Purchase of intangible assets	–	(8,250)
Net cash outflow from sale of subsidiary	(16,542)	(75,433)
Net cash used in investing activities	<u>(96,582)</u>	<u>(315,340)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	(374,354)	466,317
Dividends paid	(134,301)	(114,989)
Net cash (used in)/from financing activities	<u>(508,655)</u>	<u>351,328</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(1,171,210)</u>	<u>184,068</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,946,901</u>	<u>2,762,833</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,775,691</u>	<u>2,946,901</u>

The notes on pages 14 to 29 form part of these financial statements.

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 January 2017

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is West Point Industrial Estate, Penarth Road, Cardiff, CF11 8JQ.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets measured at fair value through profit or loss.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Consolidation

The financial statements consolidate the financial statements of R & M Williams (Holdings) Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

3. ACCOUNTING POLICIES *(continued)*

Turnover *(continued)*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

3. ACCOUNTING POLICIES *(continued)*

Intangible assets *(continued)*

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

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

Licences	- 10-25% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Leasehold property	- 4% straight line
Plant & machinery	- 25% reducing balance
Fixtures & fittings	- 25% reducing balance
Motor vehicles	- 25% reducing balance

Investment property

Investment property for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

3. ACCOUNTING POLICIES *(continued)*

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

3. ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. TURNOVER

Turnover arises from:

	2017	2016 <i>(restated)</i>
	£	£
Rendering of services	7,800,523	3,183,472
Construction contracts	32,619,722	37,009,521
	<u>40,420,245</u>	<u>40,192,993</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

5. OTHER OPERATING INCOME

	2017	2016 <i>(restated)</i>
	£	£
Rental income	1,855	7,000
Other operating income	219,283	48,303
	<u>221,138</u>	<u>55,303</u>

6. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2017	2016 <i>(restated)</i>
	£	£
Amortisation of intangible assets	5,844	3,788
Depreciation of tangible assets	232,209	229,985
Loss on disposal of tangible assets	61,241	8,681
Impairment of trade debtors	(1,283)	49,312
(Profit)/loss on disposal of shares in group undertakings	<u>(180,095)</u>	<u>83,109</u>

7. AUDITOR'S REMUNERATION

	2017	2016 <i>(restated)</i>
	£	£
Fees payable for the audit of the financial statements	<u>10,900</u>	<u>10,900</u>

8. PARTICULARS OF EMPLOYEES

The average number of persons employed by the group during the year, including the director, amounted to:

	2017 No.	2016 No.
Production staff	313	254
Administrative staff	48	54
	<u>361</u>	<u>308</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016 <i>(restated)</i>
	£	£
Wages and salaries	10,683,150	6,563,122
Social security costs	382,613	380,971
Other pension costs	72,801	263,375
	<u>11,138,564</u>	<u>7,207,468</u>

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

9. DIRECTOR'S REMUNERATION

During the year ended 31 December 2010 the group, in order to motivate and incentivise its officers and employees, established an employer financed retirement benefit scheme for the benefit of the groups' officers, employees and their wider families, The R & M Williams Limited 2012 EFRBS. Contributions made during the year ended 31 December 2017 amounted to £nil.

Because the values created in each scheme are held on terms which are discretionary and no earmarking has yet taken place, it is not considered that these amounts can be regarded as directors' remuneration and, therefore, these amounts have been excluded from the overall figures above and the remuneration of the highest paid director.

10. EXCEPTIONAL ITEMS

	Group		Company
	2017	2016	2017
	£	(restated)	(restated)
	£	£	£
Taxation provision on retirement benefit scheme contributions	106,250	-	-

11. INTEREST RECEIVABLE

	2017	2016
	£	(restated)
	£	£
Interest on cash and cash equivalents	4,767	7,781
Other interest	-	1,191
	<u>4,767</u>	<u>8,972</u>

12. TAXATION ON ORDINARY ACTIVITIES

Major components of tax (income)/expense

	2017	2016
	£	(restated)
	£	£
Current tax:		
UK current tax expense	22,437	72,559
Adjustments in respect of prior periods	(17,769)	(4,095)
Total current tax	<u>4,668</u>	<u>68,464</u>
Deferred tax:		
Origination and reversal of timing differences	(177,408)	18,475
Impact of change in tax rate	13,915	-
Total deferred tax	<u>(163,493)</u>	<u>18,475</u>
Taxation on ordinary activities	<u>(158,825)</u>	<u>86,939</u>

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

12. TAXATION ON ORDINARY ACTIVITIES *(continued)*

Reconciliation of tax (income)/expense

The tax assessed on the loss on ordinary activities for the year is lower than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017	2016 <i>(restated)</i>
	£	£
(Loss)/profit on ordinary activities before taxation	(655,585)	284,805
(Loss)/profit on ordinary activities by rate of tax	(131,117)	56,961
Adjustment to tax charge in respect of prior periods	(4,715)	(1,258)
Effect of expenses not deductible for tax purposes	37,210	16,370
Effect of capital allowances and depreciation	(168)	1,148
Tax rate differences	18,629	(4,250)
Loss on property disposal	13,915	–
Exempt gain on share sale	(147,992)	–
Consolidation adjustments	30,150	19,424
Non group dividend income	(17,340)	(1,456)
Deferred tax asset not provided	42,603	–
Tax on (loss)/profit	(158,825)	86,939

13. INTANGIBLE ASSETS

Group	Licences £
Cost	
At 1 February 2016 (as restated)	25,500
Disposals	(25,500)
At 30 January 2017	–
Amortisation	
At 1 February 2016	3,788
Charge for the year	5,844
Disposals	(9,632)
At 30 January 2017	–
Carrying amount	
At 30 January 2017	–
At 31 January 2016	21,712

The company has no intangible assets.

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

14. TANGIBLE ASSETS

Group	Freehold property £	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost						
At 1 Feb 2016 (as restated)	199,574	125,007	761,246	279,165	1,187,855	2,552,847
Additions	–	–	56,109	20,499	152,945	229,553
Disposals	(199,574)	–	–	(29,786)	(37,967)	(267,327)
At 30 Jan 2017	<u>–</u>	<u>125,007</u>	<u>817,355</u>	<u>269,878</u>	<u>1,302,833</u>	<u>2,515,073</u>
Depreciation						
At 1 Feb 2016	–	39,383	579,391	190,111	675,077	1,483,962
Charge for the year	–	5,000	52,364	24,250	150,573	232,187
Disposals	–	–	–	(7,484)	(26,789)	(34,273)
At 30 Jan 2017	<u>–</u>	<u>44,383</u>	<u>631,755</u>	<u>206,877</u>	<u>798,861</u>	<u>1,681,876</u>
Carrying amount						
At 30 Jan 2017	<u>–</u>	<u>80,624</u>	<u>185,600</u>	<u>63,001</u>	<u>503,972</u>	<u>833,197</u>
At 31 Jan 2016	<u>199,574</u>	<u>85,624</u>	<u>181,855</u>	<u>89,054</u>	<u>512,778</u>	<u>1,068,885</u>

Company

	Freehold property £
Cost	
At 1 February 2016	199,574
Disposals	(199,574)
At 30 January 2017	<u>–</u>
Depreciation	
At 1 February 2016 and 30 January 2017	<u>–</u>
Carrying amount	
At 30 January 2017	<u>–</u>
At 31 January 2016	<u>199,574</u>

Included within the above is investment property as follows:

	Group £	Company £
At 1 February 2016	199,574	199,574
Disposals	(199,574)	(199,574)
At 30 January 2017	<u>–</u>	<u>–</u>

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

15. INVESTMENTS

Group	Joint ventures £	Other investments other than loans £	Total £
Share of net assets/cost			
At 1 February 2016 as restated	9,525	18,379	27,904
Additions	—	146	146
Share of profit or loss	581	—	581
At 30 January 2017	<u>10,106</u>	<u>18,525</u>	<u>28,631</u>
Impairment			
At 1 February 2016 as restated and 30 January 2017	<u>—</u>	<u>—</u>	<u>—</u>
Carrying amount			
At 30 January 2017	<u>10,106</u>	<u>18,525</u>	<u>28,631</u>
At 31 January 2016	<u>9,525</u>	<u>18,379</u>	<u>27,904</u>
Company			Shares in group undertakings £
Cost			
At 1 February 2016 as restated			2,160,151
Disposals			(141)
At 30 January 2017			<u>2,160,010</u>
Impairment			
At 1 February 2016 as restated and 30 January 2017			<u>—</u>
Carrying amount			
At 30 January 2017			<u>2,160,010</u>
At 31 January 2016			<u>2,160,151</u>

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

Subsidiary undertakings	Class of share	Percentage of shares held
R & M Williams Limited	Ordinary	90

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

15. INVESTMENTS *(continued)*

Investments in joint ventures

Summarised financial information of jointly controlled entities:

	2017	2016 <i>(restated)</i>
	£	£
Current assets	31,645	21,929
Current liabilities	21,540	12,404
	<u> </u>	<u> </u>
Revenues	671,430	187,877
Profit from continuing operations	581	105
	<u> </u>	<u> </u>

16. STOCKS

	Group		Company	
	2017	2016 <i>(restated)</i>	2017	2016 <i>(restated)</i>
	£	£	£	£
Raw materials	62,267	92,267	–	–
Work in progress	1,974,061	2,093,671	893,120	888,664
	<u>2,036,328</u>	<u>2,185,938</u>	<u>893,120</u>	<u>888,664</u>

17. DEBTORS

	Group		Company	
	2017	2016 <i>(restated)</i>	2017	2016 <i>(restated)</i>
	£	£	£	£
Trade debtors	2,846,789	2,761,316	–	–
Amounts owed by group undertakings	–	–	811,174	1,089,004
Prepayments and accrued income	44,858	62,567	148	1,206
Corporation tax repayable	24,339	–	–	–
Amounts recoverable on contract	3,333,115	4,068,705	–	–
Other debtors	782,707	259,732	688,605	183,823
	<u>7,031,808</u>	<u>7,152,320</u>	<u>1,499,927</u>	<u>1,274,033</u>

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2017	2016 <i>(restated)</i>	2017	2016 <i>(restated)</i>
	£	£	£	£
Amounts owed by group undertakings	–	–	–	1,052,757
Other debtors	500,000	–	500,000	–
	<u>500,000</u>	<u> </u>	<u>500,000</u>	<u>1,052,757</u>

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

18. CREDITORS: amounts falling due within one year

	Group		Company	
	2017	2016 (restated)	2017	2016 (restated)
	£	£	£	£
Trade creditors	4,352,676	4,331,103	7,283	–
Accruals and deferred income	1,302,883	1,480,353	3,000	2,000
Corporation tax	–	72,559	–	–
Social security and other taxes	180,907	538,601	872	872
Director loan accounts	439,554	813,908	439,554	813,908
Other creditors	10,982	116,184	51	151
	<u>6,287,002</u>	<u>7,352,708</u>	<u>450,760</u>	<u>816,931</u>

19. PROVISIONS

Group	Deferred tax (note 20) £	Other provisions £	Total £
At 1 February 2016 (as restated)	85,000	–	85,000
Additions	(78,493)	106,250	27,757
Unused amounts reversed	(87,385)	–	(87,385)
At 30 January 2017	<u>(80,878)</u>	<u>106,250</u>	<u>25,372</u>

The company does not have any provisions.

Other provisions relate to an estimate of PAYE and National Insurance Contributions which maybe due in connection with employer financed retirement benefit scheme contributions. The actual amount payable will depend on any settlement agreed with HMRC.

20. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2017	2016 (restated)	2017	2016 (restated)
	£	£	£	£
Included in provisions (note 19)	<u>(80,878)</u>	<u>85,000</u>	<u>–</u>	<u>–</u>

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

	Group		Company	
	2017	2016 (restated)	2017	2016 (restated)
	£	£	£	£
Accelerated capital allowances	82,087	85,993	–	–
Unused tax losses	(162,627)	–	–	–
Deferred tax - other short term timing differences	(338)	(993)	–	–
	<u>(80,878)</u>	<u>85,000</u>	<u>–</u>	<u>–</u>

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

21. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £72,801 (2016: £263,375).

22. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

Financial assets that are debt instruments measured at amortised cost

	Group 2017	2016 (restated)
	£	£
Financial assets that are debt instruments measured at amortised cost	<u>6,347,443</u>	<u>7,089,753</u>

Financial liabilities measured at amortised cost

	Group 2017	2016 (restated)
	£	£
Financial liabilities measured at amortised cost	<u>6,091,421</u>	<u>6,741,548</u>

23. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2017		2016 (restated)	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,400,000</u>

24. RESERVES

Called up share capital - This represents the nominal value of shares that have been issued.

Merger reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

25. DISPOSAL OF SUBSIDIARY

On 15 December 2016 the group sold 41% of its interest in the ordinary share capital of FRS Contractor Solutions Limited. The profit of FRS Contractor Solutions Limited up to the date of disposal was £121,207, and for its last financial year was £197,323.

Net assets disposed of and the related sale proceeds were as follows:

	£
Fixed assets	22,300
Intangibles assets	15,868
Current assets	758,709
Creditors	(792,967)
Provision for liabilities	(2,349)
Minority interest	58,390
Investment	(40)
Investment in remaining 10%	(146)
Profit on disposal	680,193
Sale proceeds	<u>739,958</u>
Satisfied by:	
Cash and cash equivalents	239,958
Deferred consideration	500,000
Total	<u>739,958</u>
Net cash inflows in respect of the sale comprised:	
Cash and cash equivalents	239,958
Less: cash and cash equivalents disposed of	(256,500)
Total	<u>(16,542)</u>

26. COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2017	2016 (restated)	2017	2016 (restated)
	£	£	£	£
Not later than 1 year	122,535	97,544	—	—
Later than 1 year and not later than 5 years	202,952	174,809	—	—
	<u>325,487</u>	<u>272,353</u>	<u>—</u>	<u>—</u>

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

27. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

During the year the director entered into the following advances and credits with the company and its subsidiary undertakings:

	2017			
	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	Balance outstanding
	£	£	£	£
Mr M J Williams	813,908	8,176	(382,530)	439,554

	2016			
	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	Balance outstanding
	£	£	£	£
Mr M J Williams	347,591	1,001,187	(534,870)	813,908

28. RELATED PARTY TRANSACTIONS

Group

During the year R&M Williams Limited recharged expenditure amounting to £33,489 (2016 - £8,732) and received services totalling £5,974 (2016 - £33,768) from FRS Contractor Solutions Limited. At the year end there was a trade debtor balance of £39,547 (2016 - £3,615) due from and £7,169 due to FRS Contractor Solutions Limited.

During the year R&M Williams Limited purchased goods amounting to £2,697,186 (2016 - £3,621,789) and sold services totalling £247,509 (2016 - £325,806) to JT Merchants Limited. At the year end there was a balance of £645,286 (2016 - £590,271) due from and £284,073 due to R&M Williams Limited.

R&M Williams Limited is a subsidiary of R&M Williams (Holdings) Limited.

FRS Contractor Solutions was a subsidiary of R&M Williams (Holdings) Limited until 15th December 2016.

Mr M Williams is a director and controlling shareholder in JT Merchants Limited and R&M Williams (Holdings) Limited.

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 January 2017

28. RELATED PARTY TRANSACTIONS *(continued)*

Company

During the year R&M Williams Limited recharged expenditure and management charges amounting to £202,006 (2016 - £30,622) to R&M Williams (Holdings) Limited. At the year end there was a balance of £811,854 (2016 - £1,068,137) due from R&M Williams (Holdings) Limited to R&M Williams Limited.

During the year R&M Williams (Holdings) Limited recharged expenditure amounting to £nil (2016 - £104,401) to FRS Contractor Solutions Limited. At the year end there was a balance of £19,470 (2016 - £19,470) due from FRS Contractor Solutions Limited to R&M Williams (Holdings) Limited.

At the year end there was a balance of £165,664 (2016 - £165,665) due from JT Merchants Limited to R&M Williams (Holdings) Limited.