COMPANY REGISTRATION NUMBER: 04987959

GRAHAM HEATH CONSTRUCTION LIMITED

Filleted Financial Statements

31 July 2016

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GRAHAM HEATH CONSTRUCTION LIMITED

Financial Statements

Year ended 31 July 2016

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GRAHAM HEATH CONSTRUCTION LIMITED

Officers and Professional Advisers

Director	G J T Heath
Company secretary	L S Breeze
Registered office	The Creamery Wrenbury Industrial Estate 2 Station Road Wrenbury Chehsire CW5 8EX
Business address	The Creamery Wrenbury Industrial Estate 2 Station Road Wrenbury
Auditor	DPC Accountants Limited Chartered accountant & statutory auditor Vernon Road Stoke on Trent Staffordshire ST4 2QY
Bankers	National Westminster 2 Crewe Road Alsager Stoke-on-Trent Staffordshire ST7 2ER

Director's Responsibilities Statement

Year ended 31 July 2016

The director is responsible for preparing the 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 company and the profit or loss of the company 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.

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.

GRAHAM HEATH CONSTRUCTION LIMITED

Statement of Financial Position

31 July 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	5	**24,500**	27,500
Tangible assets	6	**723,898**	650,558
		748,398	678,058
Current assets			
Stocks		**231,772**	159,204
Debtors	7	**1,008,619**	1,285,392
Cash at bank and in hand		**306,778**	440,600
		1,547,169	1,885,196
Creditors: amounts falling due within one year	8	**(1,638,018)**	(1,928,520)
Net current liabilities		**(90,849)**	(43,324)
Total assets less current liabilities		**657,549**	634,734
Creditors: amounts falling due after more than one year	9	**(300,000)**	(300,000)
Provisions			
Taxation including deferred tax		**(108,347)**	(108,347)
Net assets		**249,202**	226,387
Capital and reserves			
Called up share capital		**1**	1
Profit and loss account		**249,201**	226,386
Members funds		**249,202**	226,387

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

The statement of financial position
continues on the following page.

The notes on pages 5 to 11 form part of these financial statements.

GRAHAM HEATH CONSTRUCTION LIMITED

Statement of Financial Position *(continued)*

31 July 2016

These financial statements were approved by the board of directors and authorised for issue on 26 April 2017, and are signed on behalf of the board by:

GJT Heath
Director

Company registration number: 04987959

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is The Creamery, Wrenbury Industrial Estate, 2 Station Road, Wrenbury, Chehsire, CW5 8EX.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'. The July 2015 amendments to the standard have been early adopted.

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 and liabilities and investment properties measured at fair value through profit or loss.

Employee benefits

The company provides a range of benefits to employees.

Short term benefits, including holiday pay, are recognised as an expense in the profit and loss account in the period in which they are incurred.

The company operates a defined contribution plan for its employees. Amounts in respect of defined contribution plans are recognised as an expense in the profit and loss account when they are due.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 August 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 16.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Graham Heath Group Limited which can be obtained from The Creamery, Wrenbury Industrial Estate, 2 Station Road, Nantwich, Cheshire, CW5 8EX. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) No cash flow statement has been presented for the company.
(b) Disclosures in respect of financial instruments have not been presented.

3. Accounting policies *(continued)*

Going concern

The company's business activities, together with the factors likely to impact upon its future operations are set out in this report. In addition the accounting policies on pages below set out the company's objectives, policies and processes for managing its financial risk management objectives and its exposure to credit and credit and liquidity risk.

Graham Heath Construction has the ability to meet ongoing funding requirements from its own internal cash generation, from financial backing and long term customer and supplier relationships, within the context of an improving economic outlook and of projected increasing turnover due to significant new customers and increasing volumes with existing customers. The directors believe that the company is well placed to manage its business risks successfully and to capitalise on opportunities within its marketplace.

The company forecasts and projections, taking account of possible changes in trading performance, show that the company as a whole will remain profitable, cash generative and should be able to operate within the level of its current facility. The company has bank facilities currently in place, which ensure that the needs of the business are fully met and delivered on acceptable terms.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

As described in the accounting policies of the financial statements, depreciation of tangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually and revised as appropriate. Revisions take in to account actual asset lives and residual values as evidenced by disposals during current and prior accounting periods.

Revenue recognition

A 10% deposit is invoiced once an order is placed. Invoices are subsequently raised for stage payments for the supply of materials. The balance of a contract value is invoiced once goods are delivered and erection is completed.

3. Accounting policies *(continued)*

Corporation tax

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.

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:

Goodwill	-	over 20 years

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:

Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance

3. Accounting policies *(continued)*

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 entity 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.

3. Accounting policies *(continued)*

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. Employee numbers

The average number of persons employed by the company during the year, including the director, amounted to 49 (2015: 39).

5. Intangible assets

	Goodwill £
Cost	
At 1 Aug 2015 and 31 Jul 2016	**60,000**
Amortisation	
At 1 August 2015	32,500
Charge for the year	3,000
At 31 July 2016	**35,500**
Carrying amount	
At 31 July 2016	**24,500**
At 31 July 2015	27,500

6. Tangible assets

	Plant and machinery £	Motor vehicles £	**Total £**
Cost			
At 1 August 2015	913,717	543,120	**1,456,837**
Additions	214,080	48,650	**262,730**
Disposals	(29,672)	(124,199)	**(153,871)**
At 31 July 2016	1,098,125	467,571	**1,565,696**
Depreciation			
At 1 August 2015	444,257	362,022	**806,279**
Charge for the year	102,068	52,495	**154,563**
Disposals	(14,613)	(104,431)	**(119,044)**
At 31 July 2016	531,712	310,086	**841,798**
Carrying amount			
At 31 July 2016	566,413	157,485	**723,898**
At 31 July 2015	469,460	181,098	650,558

7. Debtors

	2016 £	2015 £
Trade debtors	**777,425**	1,218,637
Amounts owed by group undertakings and undertakings in which the company has a participating interest	**170,164**	–
Other debtors	**61,030**	66,755
	1,008,619	1,285,392

Amounts owed from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	**631,916**	537,199
Amounts owed to group undertakings and undertakings in which the company has a participating interest	**83,042**	667,029
Social security and other taxes	**175,470**	124,471
Other creditors	**48,574**	49,220
Other creditors	**699,016**	550,601
	1,638,018	1,928,520

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Other loans	300,000	300,000

10. Capital commitments

There were none, either contracted or authorised but not contracted.

11. Contingencies

The company acts as guarantor for the mortgage in place between National Westminster Bank Plc and its parent company, Graham Heath Group Limited. The contingent liability at the balance sheet date was £1,354,687.

12. Events after the end of the reporting period

There were no material events after the end of the reporting date up to 26 April 2017, being the date of approval of the financial statements by the Board.

13. Summary audit opinion

The auditor's report for the year dated 26 April 2017 was unqualified.

The senior statutory auditor was SIMON OWEN, for and on behalf of DPC Accountants Limited.

14. Related party transactions

Details of the transactions between fellow group companies have not been disclosed in line with paragraph 33.1A of FRS102.

15. Controlling party

The directors consider Graham Heath Group Limited (Previously Graham Heath Holdings Limited), a company registered in England and Wales, to be the ultimate parent company. Graham Heath Group Limited is the only group company that prepares consolidated financial statements, including the accounts of this company. A copy of the financial statements can be obtained from the registered office; being The Creamery, Wrenbury Industrial Estate, Station Road, Wrenbury, Cheshire, CW5 8EX.

16. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 August 2014.

No transitional adjustments were required in equity or profit or loss for the year.