Harris CM Limited
(Formerly HCM Projects Limited)

Report and financial statements

Year ended

31 October 2016

Company Number 06775621

SATURDAY

A6BNYZN1

A07 29/07/2017 #150

COMPANIES HOUSE

Harris CM Limited

Company Information

Directors	J P Adlam J K Collins D J Mulqueen
Registered number	06775621
Registered office	HCM House Elmsall Way South Elmsall Pontefract West Yorkshire WF9 2XX
Independent auditors	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

Harris CM Limited

Contents

	Page
Strategic Report	1 - 3
Directors' Report	4 - 3
Directors' Responsibilities Statement	5
Independent Auditors' Report	6 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 20

Strategic Report
For the Year Ended 31 October 2016

The directors present their Strategic Report for the year ended 31 October 2016.

Business review

2016 has proven to be the most successful year for profitable growth in the history of Harris, now into it's 10th year.

With a strong focus on the fundamental principles of partnership and teamwork that underline the business mission statement and a drive towards long term strategic planning, we have been able to establish a secure and respected brand in a number of construction sectors throughout the UK.

The company continues with it's strategy into larger project values working to it's ultimate strength in industrial, commercial, retail and fit out projects for major Clients and established brands. It's expertise in delivering live environment projects for the end user also shine through and set it apart from the competition.

We have established a true partnering framework with existing Clients after many years of consistent service and support and each year look to increase this number with key project wins. New Clients become long term partners as we continue to provide a collaborative approach to individual projects and developing an understanding of what drives our clients needs and focusing on outstanding performance and quality matched with a competitive pricing structure.

As a result, this approach has secured a strong forward order book through 2017 and into 2018 with new and challenging projects nationally. Our challenge remains to provide a true collaborative offering in close partnership with our Clients and consultants with guaranteed project certainty, close financial control and high quality.

The business continues to manage cash-flow effectively within it's own cash reserves and has for 10 years continued with zero debt or borrowing which in turn delivers increased long term financial security and control. By continuing to retain further working capital year on year through growth, the business is able to provide for a stable commercial platform from which to tender competitively. It is Group policy to hold any surplus cash reserves with the parent Company. At 31 October 2016 the Group held cash reserves of £5,198,491. Amounts due to Harris CM by the parent company at 31 October 2016 totalled £3,600,885.

Our outlook remains cautiously optimistic towards larger more exciting projects coming to the market with varied clients, both new and existing.

In short, we are proud that the company has truly secured it's position as an established and experienced national contractor.

Strategic Report
For the Year Ended 31 October 2016

Principal risks and uncertainties

Profitable managed growth continues to be the corporate objective for the business. The focus is always on reducing the number of sectors in which we operate that will allow the business to strive towards excellence through experience, whilst at the same time, providing a national offering to new and existing clients.

To achieve this without risk is impossible, so the key focus must be to understand risk and control towards appropriate management procedures. This will be a prime key differentiator between those businesses that succeed and those who find themselves in financial difficulty.

Clients still strive for best value relationships and long term strategic planning and with that in mind our focus remains the same. Understanding the Clients needs and wants whilst at the same time truly appreciating their business and how it operates. This has allowed us to effectively offer best value.

In recognition of the regional markets throughout the UK we are looking to expand our offering in the south with the emergence of a southern office to support the group effectively. This will allow the North and South to operate seamlessly with a shared strategic vision but with a local offering and supply chain where appropriate.

Risk management within the national supply chain remains a key focus. Financial checks are increasingly critical to control risk of failure and to effectively manage cashflow whilst at the same time understand commercial pressures upon all our suppliers through strong senior level relationships.

Investment needs to be considered, prioritized and implemented correctly to attract new talent and the commitment to education, training and apprenticeships are a crucial element for future expansion.

Financial and other key performance indicators

Managed analysis of the key performance indicators for any successful construction company remain the integral part of measuring business objectives towards the corporate aim of the group. They are a key measure of success and an indicator of innovation and improvement that allow any business to grow and further develop it's offering.

The main corporate objective remains the measurement of both success and failure, through benchmarking. What did we do well and how can we significantly change in areas where we failed to succeed, providing for a clear understanding of what needs to be improved, and why. Furthermore, corporate benchmarking must align with the groups objectives if it is to be successful.

Benchmarking tender results allows for continuous improvement in a competitive market sector and filtering this information to the supply chain allows for greater success going forward. A clear understanding of the reasons for any difference in tendering performance allows the group to establish goals and targets that are both challenging and yet achievable with effort.

Most importantly a willingness to change and adapt based on the benchmarking findings will provide for solid growth and financial certainty and control. Persistence is the key.

This is a long term adopted strategy for success.

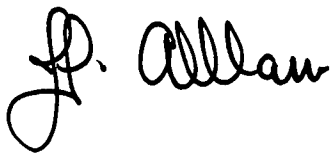
On live projects, the key indicators must strive to deliver innovation and improvements year on year. From client satisfaction to well managed health and safety to productivity and profitability, these must remain at the forefront of any monthly reporting structure within the management team. Monitoring performance against the company budget and business plan will allow for a long term growth as part of an extended plan.

The result of this is the increased turnover and profitability in 2016 together with a strong forward order book as discussed above in the business review.

Strategic Report
For the Year Ended 31 October 2016

This report was approved by the board on 19 July 2017 and signed on its behalf.

J P Adlam
Director



Directors' Report
For the Year Ended 31 October 2016

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

Change of name

The company changed it's name from HCM Projects Limited to Harris CM Limited on 13 May 2016.

Results and dividends

The profit for the year, after taxation, amounted to £822,155 (2015 - £238,449).

Directors

The directors who served during the year were:

J P Adlam
J K Collins
D J Mulqueen

Matters dealt with in the Strategic Report

A review of the business and it's future developments is included in the Strategic Report on page one of these financial statements.

Financial instruments

The company's policy is to finance working capital through retained earnings. The company's exposure to the price risk of financial instruments is therefore minimal. It is exposed to minimal credit and liquidity risks and aims to pay its suppliers to their stated terms. The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

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

This report was approved by the board on 19 July 2017. and signed on its behalf.

J P Adlam
Director

Directors' Responsibilities Statement
For the Year Ended 31 October 2016

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Independent Auditor's report to Harris CM Limited

We have audited the financial statements of Harris CM Limited for the year ended 31 October 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 statement of directors' responsibilities, 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 October 2016 and of the profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Independent Auditor's report to Harris CM Limited

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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

BDO LLP

Linda Cooper (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Leeds
United Kingdom

27 July 2017

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

Statement of Comprehensive Income
For the Year Ended 31 October 2016

	Note	2016 £	2015 £
Turnover	4	**49,709,330**	34,570,436
Cost of sales		**(45,520,048)**	(31,620,405)
Gross profit		**4,189,282**	2,950,031
Administrative expenses		**(3,159,526)**	(2,648,371)
Operating profit	5	**1,029,756**	301,660
Interest payable and expenses	8	**(75)**	(584)
Profit before tax		**1,029,681**	301,076
Tax on profit	9	**(207,526)**	(62,627)
Profit for the year		**822,155**	238,449
Other comprehensive income		**-**	-
Total comprehensive income for the year		**822,155**	238,449

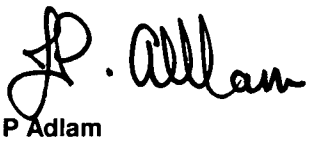
The notes on pages 11 to 20 form part of these financial statements.

Harris CM Limited
Registered number:06775621

Statement of Financial Position
As at 31 October 2016

	Note		2016 £		2015 £
Fixed assets					
Tangible assets	10		**5,884**		7,846
Current assets					
Debtors: amounts falling due within one year	11	**13,726,241**		8,149,017	
Cash at bank and in hand	12	**10,294**		13,859	
		13,736,535		8,162,876	
Creditors: amounts falling due within one year	13	**(12,230,300)**		(7,480,758)	
Net current assets			**1,506,235**		682,118
Total assets less current liabilities			**1,512,119**		689,964
Net assets			**1,512,119**		689,964
Capital and reserves					
Called up share capital	15		**100**		100
Profit and loss account	16		**1,512,019**		689,864
			1,512,119		689,964

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



J P Adlam
Director
The notes on pages 11 to 20 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2015	100	689,864	689,964
Comprehensive income for the year			
Profit for the year	-	822,155	822,155
Total comprehensive income for the year	-	822,155	822,155
Total transactions with owners	-	-	-
At 31 October 2016	100	1,512,019	1,512,119

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2014	100	451,415	451,515
Comprehensive income for the year			
Profit for the year	-	238,449	238,449
Total comprehensive income for the year	-	238,449	238,449
Total transactions with owners	-	-	-
At 31 October 2015	100	689,864	689,964

The notes on pages 11 to 20 form part of these financial statements.

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

1. General information

Harris CM Limited (formerly HCM Projects Limited) is a company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page. The nature of the group's operations and its principal activities are outlined 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.

These are the first accounts of the company prepared in accordance with FRS 102, with a transition date of 1 November 2014.

Information on the impact of first-time adoption of FRS 102 is given in note 20.

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

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Harris Construction Management Limited as at 31 October 2016 and these financial statements may be obtained from Companies House, Cardiff, CF16 3UZ.

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of professional consultancy services, construction and construction management. Consultancy and management income is recognised when services are supplied. Construction income is recognised in line with the long term contracts accounting policy. All turnover is exclusive of Value Added Tax and trade discounts.

2. Accounting policies (continued)

2.4 Tangible fixed assets

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.

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

Depreciation is provided on the following basis:

Motor vehicles	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

2. Accounting policies (continued)

2.7 Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 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.

2.9 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.10 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.

2. Accounting policies (continued)

2.11 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 tax 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

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

- Management estimate the stage of completion of long term contracts by comparing actual costs incurred to forecasts, relying on their past experience and expertise to ensure those estimates are accurate.

4. Turnover

The whole of the turnover is attributable to principal activity of the company.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	**1,962**	2,616
Defined contribution pension cost	**29,375**	26,427

The audit fees for 2016 and 2015 and have been borne by the parent company.

6. Employees

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

	2016	2015
	£	£
Wages and salaries	**1,573,469**	1,275,582
Social security costs	**189,456**	152,152
Cost of defined contribution scheme	**29,375**	26,427
	1,792,300	1,454,161

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

	2016	2015
	No.	No.
Directors	**2**	2
Administration	**12**	12
Project managers	**10**	5
	24	19

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	**202,028**	201,649
Company contributions to defined contribution pension schemes	**7,132**	6,531
	209,160	208,180

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 £106,515 (2015 - £108,742).

Some of the directors who served during the year are also directors of the ultimate parent company and are also directors of other group companies. These directors received remuneration from Harris Construction Management Limited as disclosed in that company's accounts and the group's consolidated accounts. It is not practicable to allocate this between their services as directors of this company and other group companies

8. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	**75**	584

9. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	**202,974**	10,313
Adjustments in respect of previous periods	**4,393**	-
Total current tax	**207,367**	10,313
Deferred tax		
Origination and reversal of timing differences	**3,916**	47,047
Changes to tax rates	**242**	5,267
Adjustments in respect of previous periods	**(3,999)**	-
Total deferred tax	**159**	52,314
Taxation on profit on ordinary activities	**207,526**	62,627

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.41%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	**1,029,681**	301,076
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.41%)	**205,936**	61,450
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**1,645**	2,328
Marginal relief	**-**	(120)
Rate difference	**-**	10
Adjustment to tax in respect of prior periods	**4,393**	-
Adjustment to tax in respect of prior periods - deferred tax	**(3,999)**	-
Adjust closing deferred tax to average rate of 20.00%	**35**	48
Adjust opening deferred tax to average rate of 20.00%	**(484)**	(1,089)
Total tax charge for the year	**207,526**	62,627

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Tangible fixed assets

	Motor vehicles £
Cost or valuation	
At 1 November 2015	**10,462**
At 31 October 2016	**10,462**
Depreciation	
At 1 November 2015	**2,616**
Charge for period on owned assets	**1,962**
At 31 October 2016	**4,578**
Net book value	
At 31 October 2016	**5,884**
At 31 October 2015	7,846

11. Debtors

	2016 £	2015 £
Trade debtors	**5,212,093**	3,421,815
Amounts owed by group undertakings	**3,600,885**	1,282,494
Other debtors	**278,889**	142,266
Prepayments and accrued income	**-**	992
Amounts recoverable on long term contracts	**4,634,178**	3,301,095
Deferred taxation	**196**	355
	13,726,241	8,149,017

The impairment loss recognised in the Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £Nil (2015 - £3,570).

12. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	**10,294**	13,859
	10,294	13,859

It is Group policy to hold any surplus cash reserves with the parent Company. At 31 October 2016 the Group held cash reserves of £5,198,491. Amounts due to Harris CM Limited by the parent company at 31 October 2016 totalled £3,600,885.

13. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	**4,984,797**	3,500,047
Amounts owed to group undertakings	**54,537**	53,805
Corporation tax	**202,964**	89,438
Taxation and social security	**128,054**	39,131
Other creditors	**-**	3,833
Accruals and deferred income	**6,859,948**	3,794,504
	12,230,300	7,480,758

14. Deferred taxation

	2016 £	2015 £
At beginning of year	**355**	**52,669**
Charged to the profit or loss	**(159)**	**(52,314)**
At end of year	**196**	**355**

The deferred tax asset is made up as follows:

	2016 £	2015 £
Fixed asset timing difference	**196**	355

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

15. Share capital

	2016	2015
	£	£
Shares classified as equity		
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	**100**	100

16. Reserves

The company's capital and reserves are as follows:

Share capital

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

Profit & loss account

Profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

17. Pension commitments

The company contributes to personal pension plans. The assets of the schemes are held separately from those of the company in independently administered funds. The pension charge in the profit and loss account represents amounts payable by the company in respect of the year.

18. Related party transactions

The Company has taken advantage of the exemption available in section 33.1A of FRS102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Key management personnel remuneration is equivalent to the directors' remuneration as shown in note 7.

19. Controlling party

Harris Construction Management Limited is the parent undertaking and is the smallest and largest group for which consolidated accounts are prepared. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ. In the opinion of the directors this is the company's ultimate parent company. The ultimate controlling party is S Tate.

20. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.