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Company Registration Number 06775621

HARRIS CM LIMITED

FINANCIAL STATEMENTS

31 OCTOBER 2017

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COMPANIES HOUSE

ArmstrongWatson®

Accountants, Business & Financial Advisers

HARRIS CM LIMITED

COMPANY INFORMATION

DIRECTORS	J P Adlam J K Collins
REGISTERED NUMBER	06775621
REGISTERED OFFICE	HCM House Elmsall Way South Elmsall Pontefract West Yorkshire WF9 2XX
INDEPENDENT AUDITORS	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors Third Floor 10 South Parade Leeds West Yorkshire LS1 5QS

HARRIS CM LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2017

INTRODUCTION

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 October 2017.

BUSINESS REVIEW

The principal activity of the company for the year under review was that of building and construction operating from their registered office located at HCM House, Elmsall Way, South Elmsall, Pontefract, West Yorkshire, WF9 2XX.

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and the company's position at the year end. The review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties faced.

PRINCIPAL RISKS AND UNCERTAINTIES

The Economy

The current weak economic conditions felt most noticeably through the construction and development sectors have led to a climate of key economic uncertainty and numerous factors that have led to a downturn in construction activity. Whilst Harris are unable to apply influence to larger economic and social influences, we are able to look positively at sector, client and geographical factors that can best increase our ability to trade. The key success in this strategic vision understands market diversity and the positive influence in repeat business for a client willing to invest. Our vision remains focussed on the ability to build long term strategic relationships with existing Clients in known sectors nationally.

Staff

Our approach to attracting new staff must be equal to our approach to retaining existing key employees. The failure to attract key staff and to keep existing experience within the business across all levels will have a detrimental effect upon grown capabilities including not only turnover but the size and complexity of individual project that we are able to undertake. The wrong decisions regarding management of projects can and will lead to delivery failure and a lack of innovation and achievement. It is therefore imperative that Harris invest in skills and training for key staff and focus on succession planning for senior management to allow all skill levels to see opportunity for progression. A retention policy driven and monitored at board level must be key to our success in this task. Development reviews for all staff must focus on individual strengths and targets and continuous personal growth.

Third Party Suppliers

The failure of third party suppliers and sub-contractors is always more likely during periods of economic uncertainty. The demise of large Plc construction companies at significant levels of debt can lead to smaller business failure within months driving increased likelihood of failure to deliver, reputational damage and key customer dissatisfaction if not monitored closely. A strong focus on supply chain diversity and a reduced level of project reliance on any one individual supplier or sub-contractor must be implemented. A true supply chain will provide for a range of suppliers and sub-contractors in numerous geographical locations however management and control must be monitored regularly to avoid the risk upon the business of both over reliance and failure. Performance must be centrally monitored but key to this at a local level is experience staff and senior managers who are able to maintain strong relationships and close links. Covenant strength must be monitored and analysed for every new and existing project.

Brexit

It goes without saying that economic uncertainty and Brexit go hand in hand when forcing lower demand for industrial and commercial development. Whilst again this is beyond our control, when key market sectors face volatility it is imperative to have a focused strategy and experience base to offer a true level of diversity with a business striving to maintain excellent long term relationships with existing Clients.

Health and Safety

This has to be the number one priority from site to board level. Safe systems of working and policies and procedures far in excess of current sector standards must be maintained and adopted by all as a minimum. Best practice days presented by the CEO continue to drive safe working practices and willingness from all Harris staff to keep everyone safe from harm. Paramount to this is the management and monitoring of all standards by our in-house SHEQ manager.

Credit Risk

Clients and suppliers alike look for greater levels of credit certainly in times of most risk in the industry as a result predominantly of high-end Contracting Plc failure. New customer credit checks and supplier credit terms become more stringent and a focus on maintaining a strong balance sheet with adequate reserves is paramount to trading success. Experienced credit controllers and a weekly process of review for debt are key to success and commercial cash-flow planning.

FINANCIAL AND OTHER KEY PERFORMANCE INDICATORS

Managed analysis of the key performance indicators with Harris enhances our drive for continuous improvement. They remain the integral part of performance objectives and cement the corporate aims and responsibilities of the Group.

The three main sections fall into Economic, People and Environment and measure both success and failure to achieve our pre-assigned objectives and targets. They give us a clearer understanding of our Group strength and allow for focus in areas where we need to improve. Corporate benchmarking must align with the companies' aims and objectives if it is to succeed.

The following are the key indications adopted and monitored by the Group:

Economic Key Performance Indicators

- Safety
- Profitability
- Performance
    - Quality
    - Time
- Client Satisfaction
- Defects
- Tendering Success

"People" Key Performance Indicators

- Employee Satisfaction
- Employee Turnover
- Sickness and Absence
- Qualification and Skills
- Training
- Diversity and Equality

Environmental Key Performance Indicators

- Impact
- Energy Efficiency
- Local Supply
    - Labour
    - Materials
- Waste Management
- Whole Life Performance

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2017

With each recorded indicator, initially set as a prescribed target in advance of each annual business plan for the coming year, we must learn to benchmark in order to achieve minimum standards and strive to exceed expectation. Furthermore a willingness to change and adapt based on our recorded findings can strive, with Harris, for innovation and excellence as standard. This will provide for solid growth, staff retention and financial certainty. Persistence is the key.

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

J P Adlam
Director
Date: 11/5/2018

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2017

The directors present their report and the financial statements for the year ended 31 October 2017.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £286,881 (2016 - £822,155).

A dividend has not been recommended.

DIRECTORS

The directors who served during the year were:

J P Adlam
J K Collins
D J Mulqueen (resigned 10 January 2018)

FUTURE DEVELOPMENTS

The directors are not expecting to make any significant changes in the nature of the business in the near future.

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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2017

MATTERS COVERED IN THE STRATEGIC REPORT

Information is not shown in the director's report because it is shown in the strategic report instead under s414C (11). The strategic report includes a business review, principal risk and uncertainties and financial key performance indicators.

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.

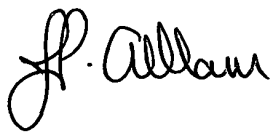
POST BALANCE SHEET EVENTS

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

AUDITORS

The auditors, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



J P Adlam
Director
Date: 11/5/2018.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARRIS CM LIMITED

OPINION

We have audited the financial statements of Harris CM Limited (the 'Company') for the year ended 31 October 2017, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARRIS CM LIMITED (CONTINUED)

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARRIS CM LIMITED (CONTINUED)

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Osbourne (Senior Statutory Auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants
Statutory Auditors
Leeds
Date: 15/05/2018

HARRIS CM LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2017

	Note	2017 £	2016 £
Turnover	4	**34,884,096**	49,709,330
Cost of sales		**(32,437,823)**	(45,520,048)
GROSS PROFIT		**2,446,273**	4,189,282
Administrative expenses		**(2,088,244)**	(3,159,526)
OPERATING PROFIT	5	**358,029**	1,029,756
Interest payable and expenses	8	**(1)**	(75)
PROFIT BEFORE TAX		**358,028**	1,029,681
Tax on profit	9	**(71,147)**	(207,526)
PROFIT FOR THE FINANCIAL YEAR		**286,881**	822,155

There was no other comprehensive income for 2017 (2016:£NIL).

HARRIS CM LIMITED
REGISTERED NUMBER: 06775621

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017

	Note		2017 £		2016 £
FIXED ASSETS					
Tangible assets	10		**4,413**		5,884
CURRENT ASSETS					
Debtors: amounts falling due within one year	11	**8,694,036**		13,726,241	
Cash at bank and in hand		**2,528,627**		10,294	
		11,222,663		13,736,535	
Creditors: amounts falling due within one year	12	**(9,428,076)**		(12,230,300)	
NET CURRENT ASSETS			**1,794,587**		1,506,235
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,799,000**		1,512,119
NET ASSETS			**1,799,000**		1,512,119
CAPITAL AND RESERVES					
Called up share capital	14		**100**		100
Profit and loss account			**1,798,900**		1,512,019
			1,799,000		1,512,119

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

J P Adlam
Director
Date: 11/5/2018

The notes on pages 13 to 22 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2016	**100**	**1,512,019**	**1,512,119**
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	**-**	**286,881**	**286,881**
AT 31 OCTOBER 2017	**100**	**1,798,900**	**1,799,000**

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**
AT 31 OCTOBER 2016	**100**	**1,512,019**	**1,512,119**

The notes on pages 13 to 22 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

1. GENERAL INFORMATION

Harris CM Limited is engaged in building and construction operating from their registered office located at HCM House, Elmsall Way, South Elmsall, Pontefract, West Yorkshire, WF9 2XX.

The company is a limited liability company incorporated and domiciled in the United Kingdom. The company is a tax resident in the United Kingdom.

The financial statements have been prepared in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise 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 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- 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 2017 and these financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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.

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, 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. ACCOUNTING POLICIES (CONTINUED)

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 a 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 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instrument 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.

2.9 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.

2.10 Finance costs

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

2.11 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. ACCOUNTING POLICIES (CONTINUED)

2.12 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.

2.13 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 charge 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these financial statements requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will be, by definition, seldom equal the related actual results.

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 the principal activity of the company.

All turnover arose within the United Kingdom.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	**1,471**	1,962
Defined contribution pension cost	**52,536**	29,375

The audit fees for 2017 and 2016 have been borne by the parent company.

6. EMPLOYEES

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

	2017 £	2016 £
Wages and salaries	**1,692,693**	1,573,469
Social security costs	**198,912**	189,456
Cost of defined contribution scheme	**52,536**	29,375
	1,944,141	1,792,300

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

	2017 No.	2016 No.
Directors	**2**	2
Administration	**20**	12
Project managers	**6**	10
	28	24

7. DIRECTORS' REMUNERATION

	2017 £	2016 £
Directors' emoluments	**207,583**	202,028
Company contributions to defined contribution pension schemes	**7,430**	7,132
	215,013	209,160

During the year retirement benefits were accruing to 2 directors (2016 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £111,619 (2016 - £106,515).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,121 (2016 - £3,822).

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Other loan interest payable	**1**	75
	1	75

9. TAXATION

	2017 £	2016 £
CORPORATION TAX		
Current tax on profits for the year	**71,000**	202,974
Adjustments in respect of previous periods	**(49)**	4,393
	70,951	207,367
TOTAL CURRENT TAX	**70,951**	207,367
DEFERRED TAX		
Origination and reversal of timing differences	**196**	3,916
Changes to tax rates	**-**	242
Adjustments in respect of previous periods	**-**	(3,999)
TOTAL DEFERRED TAX	**196**	159
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	**71,147**	207,526

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	**358,028**	1,029,681
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2016 - 20%)	**68,025**	205,936
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**1,185**	1,645
Capital allowances for year in excess of depreciation	**475**	-
Adjustments to tax charge in respect of prior periods	**(49)**	394
Change in rate of taxation	**1,511**	-
Other differences leading to an increase (decrease) in the tax charge	**-**	(449)
TOTAL TAX CHARGE FOR THE YEAR	**71,147**	207,526

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

9. TAXATION (CONTINUED)

10. TANGIBLE FIXED ASSETS

	Motor vehicles £
COST OR VALUATION	
At 1 November 2016	**10,462**
At 31 October 2017	**10,462**
DEPRECIATION	
At 1 November 2016	**4,578**
Charge for the year on owned assets	**1,471**
At 31 October 2017	**6,049**
NET BOOK VALUE	
At 31 October 2017	**4,413**
At 31 October 2016	5,884

11. DEBTORS

	2017 £	2016 £
Trade debtors	**2,493,355**	5,212,093
Amounts owed by group undertakings	**369,783**	3,600,885
Other debtors	**27,649**	278,889
Prepayments and accrued income	**601**	-
Amounts recoverable on long term contracts	**5,802,648**	4,634,178
Deferred taxation	**-**	196
	8,694,036	13,726,241

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

12. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	**3,925,886**	4,984,797
Amounts owed to group undertakings	**-**	54,537
Corporation tax	**71,000**	202,964
Other taxation and social security	**-**	128,054
Accruals and deferred income	**5,431,190**	6,859,948
	9,428,076	12,230,300

13. DEFERRED TAXATION

	2017 £	2016 £
At beginning of year	**196**	355
Utilised in year	**(196)**	(159)
AT END OF YEAR	**-**	196

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	**-**	196
	-	196

14. SHARE CAPITAL

	2017 £	2016 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	**100**	100

All shares carry the same rights.

15. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £52,536 (2016 - £29,375).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained within Section 33 of FRS102 "Related Party Disclosures" from disclosing transactions with entities which are part of the group, since 100% of the voting rights in the company are controlled within the group and the company is included within the group accounts which are publicly available.

17. CONTROLLING PARTY

Harris Construction Management Limited was until 14 December 2017 the smallest and largest group for which the consolidated accounts are prepared. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ. During the year, Harris Construction Management Limited was under the control of S Tate.

On 14 December 2017, Tate Family Office Limited and Adlam Investments Limited acquired the entire share capital of Harris Construction Management Limited. From this date, Tate Family Office Limited became the controlling party. Tate Family Office Limited is under the control of S and L Tate.