

Company Number: 08843321

MWC Investments Ltd
Consolidated Group
Statutory Accounts
Period Ending 30 June 2016

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MWC INVESTMENTS LTD

Company Number: 08843321

Contents

Company Information	3
Strategic Report	4-5
Directors' Report	6-7
Independent Auditors Report	8
Consolidated statement of comprehensive income	10
Consolidated statement of financial position	11
Company statement of financial position	12
Consolidated statement of cash flows	13
Consolidated statement of changes in equity	14
Company statement of changes in equity	15
Notes to the financial statements	16-35

MWC INVESTMENTS LTD

Company Number: 08843321

Company information

Directors:	OBS 24 LLP Sonia Kerr
Secretary:	RJP Secretaries Ltd Peter Ward Jamie Constable
Registered Office:	5 th Floor 24 Old Bond Street Mayfair London W1S 4AW
Registered Number	08843321
Senior Statutory Auditor	Mark Bishop
Auditors	Grant Thornton UK LLP 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS
Principal Activity	Demolition and Construction Services

Group Strategic Report

For the financial period ending 30 June 2016

The Directors present their strategic report for the period.

Principal Activity

The principal activity of the Group in the period under review is that of demolition and construction services

Review of the business

During the period the business acquired 100% of the share capital of Cantillon Holdings Limited. Note 25 in the Notes to the Accounts give full details of the acquisition.

The Directors are pleased to report that the period was one of good performance with Turnover of £31m, Gross Profit of £7m and Operating Profit of £1.3m. Competition remains strong in the industry, which results in significant pressure on contract pricing, but with excellent estimating and cost control, a positive contribution has been delivered across all contracts in the period. The cash and balance sheet position are strong.

The business has focused in the period on recruiting and training key personnel who, with specialist skills in the area, will go on to support the business through significant growth in revenue secured for the coming 12 months. The business has over the period further built upon its credentials in successfully completing complex demolition projects; delivering technically advanced solutions to address a range of issues from structural instability, accessibility of site, noise & air pollution and health & safety matters. The business has also further developed its skills in the areas of basements, sub structures and super sub structures. This has broadened the scope available to the Group's clients and increased the value of turnover achieved per contract.

Environmental objectives remain a key priority for the Group. Investment has been made in a number of research and development projects which address a range of environmental issues. Specifically these have included the control of noise pollution and the safe extraction and transit of waste materials. Training and education of the workforce forms an intrinsic part of working life at the Group and the Group actively encourages participation in environmental initiatives.

The Group operates one of the strictest health and safety policies in the industry. Providing a safe place to work and safeguarding the public are absolute priorities for Group. This is done through training, providing resources, continuous monitoring, audit of health and safety practices and the ongoing engagement at all levels in the organisation. Practices in this area have been recognised through a number of industry awards.

Financial and non-financial key performance indicators

The Directors consider the key financial performance indicator of the Group to be contract margins.

The business closely monitors health and safety practices by analysing, measuring and reporting on incidents. In 2016 the company had an accident frequency rate of zero.

MWC INVESTMENTS LTD

Company Number: 08843321

Prospects for the Current Year and Beyond

The business has secured several large contracts due to be delivered in 2017 and 2018. As such, the prospects for the current year and beyond are very strong. Successful delivery of these projects will further enhance Cantillon's' credentials in its chosen core markets and extend its client base.

Principal Risks and Uncertainties

The Group is presented with a number of risks and uncertainties. Firstly there is always the general cyclicity of the construction market. However, the business started the new financial year with a very healthy pipeline of secured work. Brexit presents a new and unprecedented challenge, which whilst creates uncertainty in the general economic outlook, has not to date impacted the flow of work or growth of the business. Health and Safety and Environmental risks are key considerations in every aspect of the Group's activity, but are well addressed through the Groups practices and policies. Retention and Recruitment of key employees is central to the Group's success, however the Group enjoys a loyal and committed workforce and provides employees with an exciting, dynamic and secure place to work

The balance sheet of the group is strong, the business is profitable and the working capital position is managed such that the needs of the business are comfortably met.

This report was approved by the board on *21 MARCH 2017* and signed on its behalf.



Sonia Kerr
Director

Directors Report

The Directors present their report and the financial statement for the period ended 30 June 2016.

Results and Dividends

The loss for the year after taxation amounted to £192k.

No interim dividend was paid

The Directors do not recommend the payment of a final dividend.

Directors

The Directors who served during the period were:

OBS 24 LLP

Sonia Kerr

Statement of Directors Responsibilities

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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement as to Disclosure of Information to Auditors

The directors at the time when this Directors Report is approved have confirmed that:

MWC INVESTMENTS LTD

Company Number: 08843321

- so far as they are aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- they have 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 and the Group's auditor is aware of that information

Going Concern

The directors have reviewed the group's business plan and profit and loss forecasts and has evaluated relationships with key suppliers and customers. As a result, the directors believe that the group has adequate resources to continue operations for the foreseeable future being a period of not less than twelve months from the date of signing the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Post Balance Sheet Events

On 11 November 2016 the Freehold property was sold to Mike Cantillon and Jamie Constable who are related parties of the Group. The property was leased back by the company at a commercial rate.

Auditors

Grant Thornton UK LLP were appointed during the period to fill a casual vacancy in accordance with section 485(3) of the Companies Act 2006.

This report was approved by the board on 21 MARCH 2017 and signed on its behalf.



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Sonia Kerr
Director

MWC INVESTMENTS LTD

Company Number: 08843321

Grant Thornton UK LLP

Independent auditor's report to the members of MWC Investments Limited

We have audited the financial statements of MWC Investments Limited for the period ended 30 June 2016 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statement of Financial Position, the Group Cash Flow Statement, the Group and Parent Company 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), 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6 and 7, 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 Auditing Practices Board'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 Financial Reporting Council'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 group's and of the parent company's affairs as at 30 June 2016 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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.

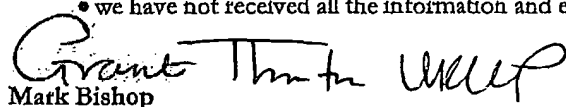
MWC INVESTMENTS LTD

Company Number: 08843321

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mark Bishop

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Wokingham

21 MARCH 2017

MWC INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2016

	Note	2016 £'000	2014 £'000
Turnover	5	31,030	-
Cost of sales		(23,897)	-
Gross profit		7,133	-
Administrative expenses – amortisation		(2,695)	-
Administrative expenses – other		(3,131)	-
Total administrative expenses		(5,826)	-
Operating profit	6	1,307	-
Interest receivable and similar income		16	-
Interest payable and expenses		(1,212)	-
Profit before taxation		111	-
Tax on (loss)/profit	8	(303)	-
(Loss) for the year		(192)	-
Total comprehensive income for the year		(192)	-
Attributable to:			
Owners of the parent Company		(192)	-

The notes on pages 16 to 35 form part of these financial statements.

All amounts relate to continuing operations.

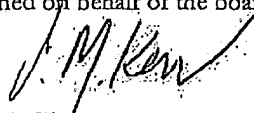
MWC INVESTMENTS LTD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Note	2016 £'000	2014 £'000
Fixed assets			
Intangible assets	9	6,958	-
Tangible assets	10	1,641	-
Investments	11	-	-
		<u>8,599</u>	-
Current assets			
Stocks		-	-
Debtors	12	3,048	-
Cash at bank and in hand		<u>1,124</u>	-
		<u>4,172</u>	-
Creditors: amounts falling due within one year	13	<u>(3,241)</u>	-
Net current assets		<u>931</u>	-
Total assets less current liabilities		<u>9,530</u>	-
Creditors: amounts falling due after more than one year	14	<u>(7,039)</u>	-
Provisions for liabilities	15	<u>(283)</u>	-
Net assets		<u><u>2,208</u></u>	-
Capital and reserves			
Called up share capital	17	1	-
Share premium account	17	2,399	-
Profit and loss account	18	<u>(192)</u>	-
		<u><u>2,208</u></u>	-
Non-controlling interests		<u>0</u>	-
		<u><u>2,208</u></u>	-

The financial statements were approved by the Board of Directors on *21 MARCH* 2017.
Signed on behalf of the board of directors:


Sonia Kerr
Director

Company registration no: 08843321

MWC INVESTMENTS LTD

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Note	2016 £'000	2014 £'000
Fixed assets			
Investments	11	16,883	-
		<u>16,883</u>	<u>-</u>
Current assets			
Debtors	12	317	-
Cash at bank and in hand		193	-
		<u>510</u>	<u>-</u>
Creditors: amounts falling due within one year	13	(2,548)	-
Net current assets		<u>(2,038)</u>	<u>-</u>
Total assets less current liabilities		14,845	-
Creditors: amounts falling due after one year	14	(7,000)	-
Net assets		<u>7,845</u>	<u>-</u>
Capital and reserves			
Called up share capital	17	1	-
Share premium account	17	2,399	-
Profit and loss account	18	5,445	-
		<u>7,845</u>	<u>-</u>

The financial statements were approved by the Board of Directors on 21 MAR 2017.
Signed on behalf of the board of directors:



Sonia Kerr
Director

Company registration no: 08843321

MWC INVESTMENTS LTD

CONSOLIDATED STATEMENT OF CASH FLOWS

For period ended 30 June 2016

	2016 £'000	2014 £'000
Cash flows from operating activities		
Profit for the financial year	(192)	-
Adjustments for:		
Amortisation of intangible assets	2,751	-
Depreciation of tangible assets	160	-
Interest paid	1,212	-
Interest received	(16)	-
Taxation	71	-
Decrease/(increase) in trade and other debtors	(3,048)	-
Decrease/(increase) in stocks	0	-
Increase/(decrease) in trade creditors	3,221	-
Cash from operations	4,159	-
Income taxes paid	-	-
Net cash generated from operating activities	4,159	-
Cash flows from investing activities		
Proceeds from sale of tangible assets	-	-
Purchases of tangible assets	(1,801)	-
Purchases of intangible assets	(9,515)	-
Interest received	16	-
Net cash from investing activities	(11,300)	-
Cash flows from financing activities		
Issue of ordinary share capital	2,400	-
Increase in bank loans	7,000	-
Increase in finance lease obligations	76	-
Interest paid	(1,212)	-
Dividends paid	0	-
Net cash used in financing activities	8,264	-
Net increase in cash and cash equivalents	1,124	-
Foreign exchange translation adjustment	-	-
Cash and cash equivalents at the beginning of year	-	-
Cash and cash equivalents at end of year	1,124	-

MWC INVESTMENTS LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2016

	Called-up share capital	Share premium account	Profit and loss account	Amount attributable to owners of the parent	Non-controlling interests	Total
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
At 1 January 2014	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Foreign exchange translation difference	-	-	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
At 31 December 2014	-	-	-	-	-	-
Profit for the year	-	-	(192)	(192)	-	(192)
Other comprehensive income	-	-	-	-	-	-
Foreign exchange translation difference	-	-	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-	-	-
Total comprehensive income for the year	-	-	(192)	(192)	-	(192)
Issue of shares	1	2,399	-	2,400	-	2,400
Dividends paid	-	-	-	-	-	-
At 30 June 2016	1	2,399	(192)	2,208	-	2,208

MWC INVESTMENTS LTD

COMPANY STATEMENT OF CHANGES IN EQUITY

For period ended 30 June 2016

	Called-up share capital £ '000	Share premium account £ '000	Profit and loss account £ '000	Total £ '000
At 1 January 2014	-	-	-	-
Profit and total comprehensive income for the year	-	-	-	-
Issue of shares	-	-	-	-
Dividends paid	-	-	-	-
At 31 December 2014	-	-	-	-
Profit and total comprehensive income for the year	-	-	5,445	5,445
Issue of shares	1	2,399	-	2,400
Dividends paid	-	-	-	-
At 30 June 2016	1	2,399	5,445	7,845

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

1 General Information

MWC Investments Ltd is a limited liability company incorporated in the United Kingdom. Its registered office and principal place of business is 5th Floor, 24 Old Bond Street, Mayfair, London, W1S 4AW.

2 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

This is the first year in which the financial statements have been prepared under FRS 102. Information on the impact of first time adoption of FRS102 is given in note 26.

The financial statements are presented in Sterling (£).

The group financial statements consolidate the financial statements of MWC Investments Ltd and all its subsidiary undertakings drawn up to 30 June each year from 2016 onwards.

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Profit and Loss Account in these financial statements. The parent company's profit for the year was £5,445,666 (2014: £nil).

The individual accounts of MWC Investments Ltd have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.

Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

3 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

The measurement of WIP which includes a valuation of the works completed by Cantillon to date based on measurements made by a quantity surveyor.

The measurement of cost accruals which includes the valuation of works completed and goods supplied by subcontractors and suppliers to date based on measurements made by a quantity surveyor.

However, these are usually confirmed by actual invoicing within 8 weeks of the period to which they relate and historically have proven accurate.

4 Principal accounting policies

4.1 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired company plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

4.2 Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

4.3 Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

- | | |
|------------|---------|
| - Goodwill | 5 years |
|------------|---------|

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in profit or loss in the periods expected to be benefitted.

4.4 Tangible assets

Tangible fixed assets under the costs 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 calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the reducing balance method.

The rates applicable are:

- | | |
|---------------------------|-------------------------------------|
| - Freehold buildings | 50 years on cost or revalued amount |
| - Plant and machinery | 25% on reducing balance basis |
| - Office equipment | 25% on reducing balance basis |
| - Furniture and equipment | 25% on reducing balance basis |
| - Motor vehicles | 25% on reducing balance basis |

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 within 'other operating income' in Statement of Income and Retained Earnings.

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

4.5 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4.6 Investments

Investments comprise investments in unquoted equity instruments which are measured at fair value. Changes in fair value are recognised in profit or loss. Fair value is estimated by using a valuation technique.

4.7 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.

4.8 Debtors

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

4.9 Creditors

Short term trade creditors are measured at the transaction price.

4.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

4.11 Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

4.12 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated 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.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.13 Turnover

Turnover comprises invoiced sales, sales to be invoiced within a short time frame of the period end and retentions.

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned substantively from the rendering of services relating to contracts with some small sales of goods.

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

4.13 Turnover (continued)

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by the value of work certified and invoiced to date, the value of work completed due to be imminently certified and invoiced, and the retentions certified to date or due to be imminently certified.

4.14 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

5 Turnover

All turnover was generated in the UK.

Turnover, analysed by category, was as follows:

	2016 £'000	2014 £'000
Sales of goods	4	-
Rendering of services	31,026	-
	<u>31,030</u>	<u>-</u>

6 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after:

	2016 £'000	2014 £'000
Auditor's remuneration:		
Fees payable to the Group's auditor for the audit of the Group's annual accounts	23	-

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

7 Directors and employees

Staff costs during the year were as follows:

	2016 £'000	2014 £'000
Wages and salaries	4,734	-
Social security costs	538	-
Other pension costs	60	-
	<u>5,332</u>	<u>-</u>

The company operates a pension scheme compliant for auto enrollment purposes for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension's provider. Pension payments to this scheme recognised as an expense during the period amount to £14,340 (2014: £nil). In addition to this contributions were made to the personal pensions schemes of a number of employees totalling £45,052 (2014: nil).

The average number of employees of the group during the period was:

	2016 Number	2014 Number
Sales and trading	48	-
Processing and administration	9	-
	<u>57</u>	<u>-</u>

Remuneration in respect of directors was as follows:

	2016 £'000	2014 £'000
Emoluments	348	-
Pension contributions to money purchase pension schemes	12	-
	<u>360</u>	<u>-</u>

During the year one director (2014: none) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2016 £'000	2014 £'000
Emoluments	329	-
Pension contributions to money purchase pension schemes	12	-
	<u>341</u>	<u>-</u>

The Directors are deemed to be the key management of the Company.

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

8 Tax on profit on ordinary activities

The tax (credit)/charge is based on the profit for the year and represents:

	2016 £'000	2014 £'000
UK Corporation Tax	324	-
Adjustments in respect of previous periods	-	-
Overseas taxation	-	-
Total current tax	324	-
Deferred taxation: origination and reversal of timing differences	(20)	-
Deferred taxation: changes in tax rates	(1)	-
Tax on results on ordinary activities	303	-

The tax assessed for the year is higher than the standard rate of corporation tax in the United Kingdom at 20% (2014: 21%). The differences are explained as follows:

Profit on ordinary activities before tax	166	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 20% (2014: 21%)	34	-
Expenses not deductible for tax purposes	590	-
Research and Development Credit	(350)	-
Distribution	(18)	-
Different Tax Rates	(3)	-
Other differences	50	-
Tax on results on ordinary activities	303	-

During the year the UK corporation tax rate was decreased. Following Budget 2016 announcements, there will be a further reduction in the main rate of corporation tax to 17% from 1 April 2020.

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

9 Intangible fixed assets

The group

	Goodwill	Total
	£'000	£'000
Cost		
At 1 January 2015	-	-
Additions	9,709	9,709
Exchange adjustments	-	-
At 30 June 2016	<u>9,709</u>	<u>9,709</u>
Depreciation and impairment		
At 1 January 2015	-	-
Charge for the period	(2,751)	(2,751)
Impairment loss	-	-
Exchange adjustments	-	-
At 30 June 2016	<u>(2,751)</u>	<u>(2,751)</u>
Net book amount at 30 June 2016	<u>6,958</u>	<u>6,958</u>
Net book amount at 31 December 2014	<u>-</u>	<u>-</u>

Amortisation of intangible fixed assets is included in administrative expenses.

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

10 Tangible fixed assets

The group

	Office Equipment £'000	Furniture & Fixtures £'000	Motor vehicles £'000	Freehold property £'000	Plant and machinery £'000	Total £'000
Cost						
At 1 January 2015	-	-	-	-	-	-
Additions through Acquisition	46	2	47	1,307	356	1,758
Additions	27	7	-	-	32	66
Disposals	-	-	(3)	-	(4)	(7)
At 30 June 2016	73	9	44	1,307	384	1,817
Depreciation						
At 1 January 2015	-	-	-	-	-	-
Provided in the year	(21)	(3)	(14)	(17)	(122)	(177)
Disposals	-	-	-	-	1	1
At 30 June 2016	(21)	(3)	(14)	(17)	(121)	(176)
Net book amount at 30 June 2016	52	6	30	1,290	263	1,641
Net book amount at 31 December 2014	-	-	-	-	-	-

Included within freehold property is land of £850,000 (2014: £nil), which is not depreciated.

Tangible fixed assets with a carrying value of £1,290,000 (2014: £nil) are pledged as security for the group's bank loans.

Plant and machinery with a carrying value of £89,672 (2014: £138,060) and motor vehicles with a carrying value of £nil (2014: £28,553) are held under finance leases.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

11 Investments

Total fixed asset investments comprise:

	The group		The company	
	2016	2014	2016	2014
	£'000	£'000	£'000	£'000
Interests in subsidiaries	-	-	16,883	-
Interests in associates	-	-	-	-
Other fixed asset investments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>16,883</u>	<u>-</u>

Interests in subsidiaries

At 2016 the group and the company had interests in the following subsidiaries:

Subsidiaries	Type of shares held	Proportion held (%)	Country of incorporation	Nature of business
Cantillon Holdings Limited	Ordinary	100%	United Kingdom	Holding Company
Cantillon Limited	Ordinary	100%	United Kingdom	Trading

The company

	Investment in subsidiaries £'000
Cost	
At 1 January 2015	-
Additions in the year	16,883
At 30 June 2016	<u>16,883</u>
Accumulated impairment	
At 1 January 2015	-
Impairment loss	-
At 30 June 2016	<u>-</u>
Net book amount at 30 June 2016	<u>16,883</u>
Net book amount at 31 December 2014	<u>-</u>

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

12 Debtors

	The group		The company	
	2016	2014	2016	2014
	£'000	£'000	£'000	£'000
Trade debtors	2,808	-	-	-
Amounts owed by subsidiary undertaking	-	-	317	-
Prepayments and accrued income	240	-	-	-
	<u>3,048</u>	<u>-</u>	<u>317</u>	<u>-</u>

13 Creditors: amounts falling due within one year

	The group		The company	
	2016	2014	2016	2014
	£'000	£'000	£'000	£'000
Finance lease obligations	37	-	-	-
Trade creditors	2,034	-	3	-
Amounts owed to subsidiary undertakings	-	-	2,370	-
Taxation and social security	273	-	3	-
Corporation tax	34	-	-	-
Other creditors	44	-	-	-
Accruals	819	-	172	-
	<u>3,241</u>	<u>-</u>	<u>2,548</u>	<u>-</u>

14 Creditors: amounts falling due after more than one year

	The group		The company	
	2016	2014	2016	2014
	£'000	£'000	£'000	£'000
Finance lease obligations	39	-	-	-
Bank loans	7,000	-	7,000	-
	<u>7,039</u>	<u>-</u>	<u>7,000</u>	<u>-</u>

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

Bank loans are repayable as follows:

	The group		The company	
	2016	2014	2016	2014
	£'000	£'000	£'000	£'000
Within one year	-	-	-	-
Between one to two years	-	-	-	-
Between two to five years	7,000	-	7,000	-
More than five years	-	-	-	-
	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>-</u>

The bank loans and overdrafts are secured against assets of the group and company. The group has a loan with Beechbrook Mezzanine II Sarl of £7,000,000 (2014: £nil). The loan is not repayable until 2020. The interest rate on the loan is LIBOR + 11%.

15 Provisions for liabilities

The group

	Deferred taxation (note 17) £'000	Leave pay £'000	Total £'000
At 1 January 2015	-	-	-
Additions	251	53	304
Origination and reversal of timing differences	(20)	-	(20)
Changes in tax rates	(1)	-	(1)
At 30 June 2016	<u>230</u>	<u>53</u>	<u>283</u>

16 Deferred taxation

Deferred taxation provided for at 20% (2014: 21%) in the financial statements is set out below:

	The group		The company	
	2016	2014	2016	2014
	£'000	£'000	£'000	£'000
Accelerated capital allowance	36	-	-	-
Fixed Asset Revaluation	194	-	-	-
	<u>230</u>	<u>-</u>	<u>-</u>	<u>-</u>

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

17 Called up share capital

	2016 £'000	2014 £'000
Authorised, allotted and fully paid:		
Ordinary shares of £0.01 each	1	-
	<u>1</u>	<u>-</u>

10,100 A Ordinary Shares were allotted. The nominal value was £0.01 each, the price paid was £0.01.
 16,670 A Ordinary Shares were allotted. The nominal value was £0.01 each, the price paid was £24.
 68,230 A Ordinary Shares were allotted. The nominal value was £0.01 each, the price paid was £29.31
 5,000 B Ordinary Shares were allotted. The nominal value was £0.01 each, the price paid was £0.01.

The A and B shares rank pari passu in all respects, but continue as a separate class of shares. Both A and B shares have voting rights and the right to participate in dividends and distributions of the company

Ordinary shares

	2016 Number
At 1 January 2015	
Share issue	100,000
At 30 June 2016	<u>100,000</u>

Consideration received for the allotment of ordinary shares during the year was £2,400,000

18 Reserves

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

Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account includes all current and prior period retained profits and losses.

19 Capital commitments

The group had no capital commitments during the period.

20 Leasing commitments

The group's future minimum operating lease payments are as follows:

	2016 £'000	2014 £'000
Within one year	-	-
Between one and five years	<u>-</u>	<u>-</u>

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

The group's future minimum finance lease payments are as follows:

	2016 £'000	2014 £'000
Within one year	37	-
Between one and five years	39	-

The company's future minimum finance lease payments are as follows:

	2016 £'000	2014 £'000
Within one year	-	-
Between one and five years	-	-

Certain plant and machinery and motor vehicles are held under finance lease arrangements. Finance lease liabilities are secured by the related assets held under finance leases (see note 11). The lease agreements generally include fixed lease payments and a purchase option at the end of the lease term.

21 Transactions with related parties

	2016 £'000	2014 £'000
Purchases of Services from Related Parties	810	-
Interest Paid to related parties	1,206	-

During the period of reporting an amount of £361,627 was paid to Pure Logistics and Consultancy Limited. Pure Logistics and Consultancy Limited is owned and controlled by Mike Cantillon. Mike Cantillon is a Director of Cantillon Holdings and Cantillon Limited and has a shareholding in MWC Investments Limited, the parent company of the group.

During the period of reporting an amount of £159,450 was paid to Kerr Advisory Limited. Kerr Advisory Limited is owned and controlled by Sonia Kerr. Sonia Kerr is a Director of MWC Investments Limited, the parent company of the group and Cantillon Holdings Limited and has a shareholding in MWC Investments Limited.

During the period of reporting an amount of £221,319 was paid to Three V Partnership LLP. Three V Partnership LLP is owned and controlled by company secretaries J Constable and P Ward. J Constable and P Ward are also shareholders and Directors of RCapital Nominees Limited which holds a majority shareholding in MWC Investments Limited, the parent company of the group. They are also members of OBS 24 LLP which is a corporate director of MWC Investments Limited.

During the period of reporting an amount of £45,118 was paid to Beechbrook Capital LLP. Beechbrook Capital is a related party by virtue of extending a long term loan to MWC Investments Limited via its vehicle Beechbrook Mezzanine II SARL. Beechbrook Mezzanine II SARL is also a shareholder of MWC Investments Ltd. Interest of £1,206,194 was paid during the period of reporting to Beechbrook Mezzanine II SARL.

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

During the period of reporting an amount of £22k was paid to RJP Accountants and Tax Advisers. J Constable is a partner in RJP Accountants and Tax Advisers. J Constable is also a shareholder and Director of RCapital Nominees Limited, which holds a majority shareholding in MWC Investments Limited, the parent company of the group. He is also a member of OBS 24 LLP which is a corporate director of MWC Investments Limited.

22 Ultimate Controlling Party

It is the opinion of the Directors that whilst RCapital Nominees Limited holds as a nominee company the majority of the shares, there is no ultimate controlling party with a majority shareholding.

23 Post Balance Sheet Event

On 11 November 2016 the Freehold property was sold to Mike Cantillon and Jamie Constable who are related parties. The property was leased back by Cantillon Ltd at a commercial rate.

24 Financial risk management

The group has exposures to two main areas of risk - liquidity risk and customer credit exposure. To a lesser extent the group is exposed to interest rate risk.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group has credit facilities available. Given the maturity of the bank loan in note 14, the group is in position to meet its commitments and obligations as they come due.

Customer credit exposure

The group may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships and pro active credit control.

Interest rate risk

The group borrows from its bankers using either overdrafts or term loans. LIBOR Interest rates are currently low and could rise, resulting in an increase in the cost of capital, however this is not anticipated to increase significantly in the next 18 months.

25 Acquisitions and Disposals

On the 18 February 2015 MWC Investments Limited acquired 100% of the share capital Cantillon Holdings Limited for the initial consideration of £16,883,431. Cantillon Limited is a 100% subsidiary of Cantillon Holdings Limited, and therefore the business and assets of Cantillon Limited are part of the

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

Group and are consolidated in the Group accounts. The business is operationally based in Watford and its main focus is demolition and construction services.

	Vendor's book value £'000	Fair Value Adjustments £'000	Fair Value to group £'000
Assets and Liabilities			
Acquired			
Tangible Fixed Assets	1,759		1,759
Debtors	3,105		3,105
Cash at Bank	1,265		1,265
Other creditors and provisions	(4,101)	(194)	(4,295)
Net Assets Acquired	2,028	(194)	1,833
Satisfied by:			
Base Consideration			10,400
Accounts based consideration			5,341
Transaction costs			1,141
Intercompany Loan			(6,741)
Beechbrook Facility			1,400
			11,542
Goodwill arising on consolidation			9,709

The summarised profit and loss account for Cantillon Limited for the period 1 January 2015 to the date of acquisition was:

	£'000
Turnover	2,473
Operating Profit	628
Profit Before Tax	627
Taxation	(49)
Profit After Tax	578

MWC INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

26 First Time Adoption of FRS 102

During the year the company transitioned to FRS 102. No significant adjustments arose on the transition in comparison to the information previously disclosed under the previous accounting framework and as such there are no transitional changes to report.