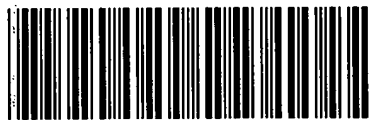


**Manco South Limited**

**Annual report**

**30 April 2015**

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**Manco South Limited**

**Annual report**

**Year ended 30 April 2015**

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# **Manco South Limited**

## **Company information**

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### **The board of directors**

Mr M A Hickey  
Mr J G Hickey

### **Registered office**

Redeham Hall  
137 Redenham Road  
Burstow  
Surrey  
United Kingdom  
RH6 9RJ

### **Auditor**

Moore Stephens LLP  
Chartered Accountants and Statutory Auditor  
150 Aldersgate Street  
London  
United Kingdom  
EC1A 4AB

### **Bankers**

Lloyds TSB  
2 City Place  
Beehive Ring Road  
Gatwick  
West Sussex  
RH6 0PA

### **Solicitors**

Thomas Eggar LLP  
Belmont House  
Station Way  
Crawley  
RH10 1JA

# **Manco South Limited**

## **Strategic report**

**Year ended 30 April 2015**

---

The directors present their strategic report and the audited financial statements of the group for the year ended 30 April 2015.

### **Principal activities and business review**

The principal activity of the company during the year was that of a holding company of the Coinford Group.

#### **Business review**

The Group's overall objective is to deliver shareholder value, through the profitable winning and delivery of groundwork, remediation and concrete frame construction contracts.

The objective is achieved through a strategy of building long term relationships with key clients and suppliers; recruiting and retaining highly skilled professionals in the field of construction and business management; and building a reputation of reliability, competence and safety by focusing on the Group's core expertise.

Given the relatively small number of tier one house builders, Coinford's business model is repeat contracts with key clients whilst engaging with smaller developers where profit opportunities exist.

The Group's success is largely tied to the residential housing market which in turn is tied to the wider economic environment, both of which have again improved during the financial year.

On 30 April 2015 Manco South Limited acquired Coinford Holdings Limited to bring all of the wider elements of Coinford's business into a single group.

The directors believe the new simplified group structure will allow a single consolidated entity to show better the performance of the group and aid transparency, improve the availability of finance from banks, finance providers and credit insurers and provide efficiencies in managing resources at a group level and allow for group functions for finance, procurement, etc.

It will also improve purchasing power for the group and aid with viability and better reassure clients entering into long term contracts.

During the year turnover increased by £8,592,934 or 16%, gross profit decreased by £881,552 or 17% and profit before tax increased by £739,629 or 89%. This is consistent with the improving trend in the construction sector.

The Group, will subject to satisfactory margins, seek to grow turnover in the year ahead.

#### **Principal risks and uncertainties**

The Group's principal business risks are (1) loss making contracts arising from poor estimating or execution, (2) legal claims arising from poor execution and (3) financial loss arising from poor administration.

These risks are managed by a regular review of pricing, contract performance and overhead and their impact mitigated by maintaining good relationships with relevant stakeholders.

  
Signed on behalf of the directors

M A Hickey  
Director

Approved by the directors on 11 March 2016

# **Manco South Limited**

## **Directors' report**

### **Year ended 30 April 2015**

---

The directors present their report and the audited financial statements of the group for the year ended 30 April 2015.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £1,307,007. The directors have not recommended a dividend.

#### **Directors**

The directors who served the company during the year were as follows:

Mr M A Hickey  
Mr J G Hickey

Mr M A Hickey was appointed as a director on 29 April 2015.

During the year the Group purchased insurance cover for the directors against liabilities and indemnities that may arise in relation to the Group, which remained in place at the date of this report.

#### **Going Concern**

After making enquiries, the Directors have formed a judgement that, as at the date of approving the financial statements, there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the accounts.

#### **Directors' responsibilities**

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Manco South Limited**

**Directors' report**

**Year ended 30 April 2015**

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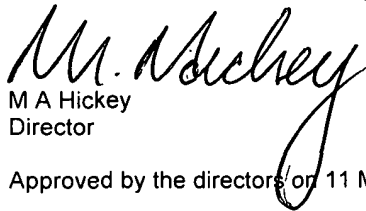
**Auditor**

Chantrey Vellacott DFK LLP has merged its practice with Moore Stephens LLP and now practises under the name of Moore Stephens LLP. A resolution to re-appoint Moore Stephens LLP as auditor will be proposed at the forthcoming Annual General Meeting.

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

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

Signed on behalf of the directors



M A Hickey  
Director

Approved by the directors on 11 March 2016

## **Manco South Limited**

### **Independent auditor's report to the shareholders of Manco South Limited**

**Year ended 30 April 2015**

---

We have audited the group and parent company financial statements ("the financial statements") of Manco South Limited for the year ended 30 April 2015 which comprise the profit and loss account, note of historical cost profits and losses, group balance sheet and company balance sheet, group cash flow 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 shareholders, 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 shareholders 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 shareholders 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 2, 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 web-site at [www.frc.org.uk/auditscopeukprivate](http://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 parent company's affairs as at 30 April 2015 and of the group's 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.

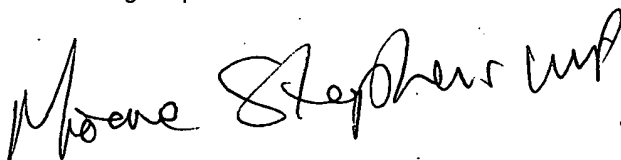
#### **Opinion on other matter prescribed by the Companies Act 2006**

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

#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemptions from the requirement to prepare a strategic report.



**RICHARD WILLIS BSC ACA (Senior Statutory Auditor)**  
for and on behalf of **MOORE STEPHENS LLP**  
Chartered Accountants and Statutory Auditor

**11 March 2016**

**Manco South Limited****Profit and loss account****Year ended 30 April 2015**

---

|                                                      | Note      | 2015<br>£               | 2014<br>£         |
|------------------------------------------------------|-----------|-------------------------|-------------------|
| <b>Group turnover</b>                                | <b>2</b>  | <b>62,199,247</b>       | 53,606,313        |
| Cost of sales                                        |           | <u>57,797,862</u>       | <u>48,323,376</u> |
| <b>Gross profit</b>                                  |           | <b>4,401,385</b>        | 5,282,937         |
| Administrative expenses                              |           | <b>6,224,518</b>        | 4,677,466         |
| Other operating income                               | <b>3</b>  | <b>(3,094,113)</b>      | (264,773)         |
| <b>Operating profit</b>                              | <b>4</b>  | <b>1,270,980</b>        | 870,244           |
| Interest receivable                                  |           | <b>28,579</b>           | 1,539             |
| Exceptional items                                    | <b>7</b>  | <b>289,248</b>          | —                 |
| Interest payable and similar charges                 | <b>8</b>  | <b>(16,193)</b>         | (38,798)          |
| <b>Profit on ordinary activities before taxation</b> |           | <b>1,572,614</b>        | 832,985           |
| Tax on profit on ordinary activities                 | <b>9</b>  | <b>265,607</b>          | 118,908           |
| <b>Profit for the financial year</b>                 | <b>10</b> | <b><u>1,307,007</u></b> | <u>714,077</u>    |

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account.

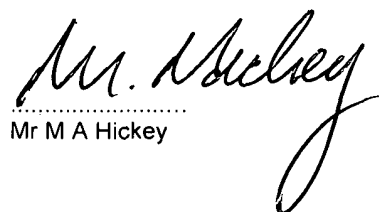
**The notes on pages 10 to 23 form part of these financial statements.**

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**Manco South Limited****Group balance sheet****As at 30 April 2015**

|                                                                | Note | 2015<br>£         | 2014<br>£         |
|----------------------------------------------------------------|------|-------------------|-------------------|
| <b>Fixed assets</b>                                            |      |                   |                   |
| Intangible assets                                              | 11   | 2,746,099         | 1,142,770         |
| Tangible assets                                                | 12   | 7,637,045         | 183,359           |
|                                                                |      | <u>10,383,144</u> | <u>1,326,129</u>  |
| <b>Current assets</b>                                          |      |                   |                   |
| Debtors                                                        | 14   | 8,694,298         | 12,588,431        |
| Cash at bank and in hand                                       |      | 6,496,844         | 2,798,268         |
|                                                                |      | <u>15,191,142</u> | <u>15,386,699</u> |
| <b>Creditors: amounts falling due within one year</b>          | 16   | <u>12,495,658</u> | <u>13,338,284</u> |
| <b>Net current assets</b>                                      |      | <u>2,695,484</u>  | <u>2,048,415</u>  |
| <b>Total assets less current liabilities</b>                   |      | <u>13,078,628</u> | <u>3,374,544</u>  |
| <b>Creditors: amounts falling due after more than one year</b> | 17   | <u>2,052,436</u>  | <u>54,440</u>     |
|                                                                |      | <u>11,026,192</u> | <u>3,320,104</u>  |
| <b>Capital and reserves</b>                                    |      |                   |                   |
| Called up equity share capital                                 | 21   | 10,000,000        | 101,020           |
| Merger reserve                                                 | 22   | (3,499,899)       | —                 |
| Profit and loss account                                        | 22   | 4,526,091         | 3,219,084         |
| <b>Shareholders' funds</b>                                     | 23   | <u>11,026,192</u> | <u>3,320,104</u>  |

These financial statements were approved by the directors and authorised for issue on 11 March 2016, and are signed on their behalf by:

  
Mr M A Hickey

The notes on pages 10 to 23 form part of these financial statements.

**Manco South Limited**

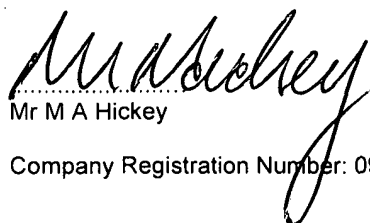
**Balance sheet**

**As at 30 April 2015**

---

|                                | Note | 2015<br>£                |
|--------------------------------|------|--------------------------|
| <b>Fixed assets</b>            |      |                          |
| Investments                    | 13   | <u>4,499,999</u>         |
| <b>Current assets</b>          |      |                          |
| Debtors                        | 14   | <u>5,500,001</u>         |
| <b>Total assets</b>            |      | <u><u>10,000,000</u></u> |
| <b>Capital and reserves</b>    |      |                          |
| Called up equity share capital | 21   | <u>10,000,000</u>        |
| <b>Shareholders' funds</b>     |      | <u><u>10,000,000</u></u> |

These financial statements were approved by the directors and authorised for issue on 11 March 2016, and are signed on their behalf by:



Mr M A Hickey

Company Registration Number: 09434310

The notes on pages 10 to 23 form part of these financial statements.

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**Manco South Limited****Group cash flow****Year ended 30 April 2015**

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|                                                 | Note | 2015<br>£               | 2014<br>£             |
|-------------------------------------------------|------|-------------------------|-----------------------|
| Net cash inflow from operating activities       | 24   | 2,457,570               | 431,875               |
| Returns on investments and servicing of finance | 24   | 12,386                  | (37,259)              |
| Taxation                                        | 24   | (501,097)               | 148,875               |
| Capital expenditure and financial investment    | 24   | (455,895)               | (38,713)              |
| Acquisitions and disposals                      | 24   | 2,219,608               | —                     |
| Cash inflow before financing                    |      | <u>3,752,572</u>        | <u>504,778</u>        |
| Financing                                       | 24   | (33,996)                | (6,638)               |
| Increase in cash                                | 24   | <u><u>3,698,576</u></u> | <u><u>498,140</u></u> |

The notes on pages 10 to 23 form part of these financial statements.

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**1. Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable United Kingdom accounting standards.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies.

The Acquisition of Coinford Holdings Limited has been accounted for using the 'pooling of interests method' (or merger accounting), which treats the merged groups as if they had been combined throughout the current and comparative accounting periods. Merger accounting principles for these combinations gave rise to a merger reserve in the consolidated statement of financial position, being the difference between the nominal value of new shares issued by the Parent Company for the acquisition of the shares of the subsidiary and the subsidiary's own share capital and share premium account.

All other acquisitions are accounted for under the acquisition method. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Amortisation**

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

Goodwill - Straight line over 10 years

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

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

Plant & Machinery - Straight line over 4-12 years  
Fixtures & Fittings - Straight line over 4 years  
Motor Vehicles - Straight line over 4 years  
Equipment - Straight line over 4 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

**Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. These held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter. The interest element of these obligations is charged to the profit or loss account over the relevant period. The capital element of the future payments is treated as a liability.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**Deferred taxation**

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date.

# Manco South Limited

## Notes to the financial statements

Year ended 30 April 2015

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### 2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

|                | 2015<br>£         | 2014<br>£         |
|----------------|-------------------|-------------------|
| United Kingdom | <u>62,199,247</u> | <u>53,606,313</u> |

### 3. Other operating income

|                               | 2015<br>£        | 2014<br>£      |
|-------------------------------|------------------|----------------|
| Management charges receivable | <u>3,094,113</u> | <u>264,773</u> |

### 4. Operating profit

Operating profit is stated after charging/(crediting):

|                                                            | 2015<br>£    | 2014<br>£ |
|------------------------------------------------------------|--------------|-----------|
| Amortisation of intangible assets                          | 228,554      | 228,554   |
| Depreciation of owned fixed assets                         | 80,091       | 45,209    |
| Depreciation of assets held under hire purchase agreements | 26,636       | 12,045    |
| Loss/(profit) on disposal of fixed assets                  | 34,503       | (6,519)   |
| Auditor's remuneration                                     |              |           |
| - as auditor                                               | 45,000       | 16,200    |
| - for other services                                       | 6,000        | 1,800     |
| Operating lease costs:                                     |              |           |
| - Plant and equipment                                      | <u>1,145</u> | <u>-</u>  |

# Manco South Limited

## Notes to the financial statements

Year ended 30 April 2015

### 5. Particulars of employees

The average number of staff, including executive directors, employed by the group during the financial year can be analysed as follows:

|                                | 2015<br>No | 2014<br>No |
|--------------------------------|------------|------------|
| Number of service staff        | 58         | –          |
| Number of administrative staff | 74         | 33         |
| Number of management staff     | 3          | 2          |
|                                | <u>135</u> | <u>35</u>  |

The aggregate payroll costs of the above were:

|                       | 2015<br>£        | 2014<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 3,024,371        | 1,422,055        |
| Social security costs | 305,810          | 118,070          |
| Other pension costs   | 2,650            | 2,054            |
|                       | <u>3,332,831</u> | <u>1,542,179</u> |

### 6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

|                         | 2015<br>£     | 2014<br>£      |
|-------------------------|---------------|----------------|
| Remuneration receivable | <u>60,714</u> | <u>123,809</u> |

### 7. Exceptional items

|                                | 2015<br>£      | 2014<br>£ |
|--------------------------------|----------------|-----------|
| Write off of negative goodwill | 290,348        | –         |
| Amount written off investment  | (1,100)        | –         |
|                                | <u>289,248</u> | <u>–</u>  |

### 8. Interest payable and similar charges

|                                    | 2015<br>£     | 2014<br>£     |
|------------------------------------|---------------|---------------|
| Interest payable on bank borrowing | 7,971         | 2,506         |
| Finance charges                    | 3,756         | 17,845        |
| Other similar charges payable      | 4,466         | 18,447        |
|                                    | <u>16,193</u> | <u>38,798</u> |

**Manco South Limited****Notes to the financial statements****Year ended 30 April 2015**

---

**9. Taxation on ordinary activities****(a) Analysis of charge in the year**

|                                                                                | 2015<br>£ | 2014<br>£ |
|--------------------------------------------------------------------------------|-----------|-----------|
| Current tax:                                                                   |           |           |
| In respect of the year:                                                        |           |           |
| UK Corporation tax based on the results for the year at 24.67% (2014 – 23.25%) | 349,651   | 229,965   |
| (Over)/under provision in prior year                                           | (18,412)  | (106,837) |
| Total current tax                                                              | 331,239   | 123,128   |
| Deferred tax:                                                                  |           |           |
| Origination and reversal of timing differences                                 | (65,632)  | (4,220)   |
| Tax on profit on ordinary activities                                           | 265,607   | 118,908   |

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is at a lower rate than the standard rate of corporation tax in the UK of 24.67% (2014 – 23.25%).

|                                                          | 2015<br>£ | 2014<br>£ |
|----------------------------------------------------------|-----------|-----------|
| Profit on ordinary activities before taxation            | 1,572,614 | 832,985   |
| Profit on ordinary activities multiplied by rate of tax  | 387,964   | 193,669   |
| Expenses not deductible for tax purposes                 | 18,817    | 92,281    |
| Excess depreciation over capital allowances              | 6,392     | 4,298     |
| Unrelieved tax losses                                    | (12,010)  | (2,312)   |
| Adjustments to tax charge in respect of previous periods | (18,412)  | (106,837) |
| Income not deductible for tax purposes                   | 783       | 154       |
| Additional deduction for R&D expenditure                 | (52,295)  | (58,125)  |
| Total current tax (note 9(a))                            | 331,239   | 123,128   |

**10. Profit attributable to members of the parent company**

The profit dealt with in the financial statements of the parent company was £Nil (2014 - £Nil).

# Manco South Limited

## Notes to the financial statements

Year ended 30 April 2015

### 11. Intangible fixed assets

| Group                   | Goodwill<br>£    |
|-------------------------|------------------|
| <b>Cost</b>             |                  |
| At 1 May 2014           | 1,946,266        |
| Additions               | 1,832,983        |
| Fully written off       | (1,100)          |
| <b>At 30 April 2015</b> | <b>3,778,149</b> |
| <b>Amortisation</b>     |                  |
| At 1 May 2014           | 803,496          |
| Charge for the year     | 228,554          |
| <b>At 30 April 2015</b> | <b>1,032,050</b> |
| <b>Net book value</b>   |                  |
| <b>At 30 April 2015</b> | <b>2,746,099</b> |
| At 30 April 2014        | 1,142,770        |

On 30 April 2015, Manco South Limited acquired 100% of the ordinary share capital of Coinford Holdings Limited and Formco Construction Limited. As part of the same restructuring exercise Coinford Holdings Limited acquired 100% of the ordinary share capital of Coinford Construction Limited and Coinford Plant Limited. For a breakdown of the acquisitions see note 25.

### 12. Tangible fixed assets

| Group                     | Plant &<br>Machinery<br>£ | Fixtures &<br>Fittings<br>£ | Motor<br>Vehicles<br>£ | Equipment<br>£ | Total<br>£        |
|---------------------------|---------------------------|-----------------------------|------------------------|----------------|-------------------|
| <b>Cost</b>               |                           |                             |                        |                |                   |
| At 1 May 2014             | —                         | 64,963                      | 186,638                | 133,402        | 385,003           |
| Additions                 | —                         | 889                         | 255,329                | 252,924        | 509,142           |
| Disposals                 | —                         | —                           | (101,638)              | —              | (101,638)         |
| Acquisition of subsidiary | 9,322,836                 | —                           | 101,719                | 6,084          | 9,430,639         |
| <b>At 30 April 2015</b>   | <b>9,322,836</b>          | <b>65,852</b>               | <b>442,048</b>         | <b>392,410</b> | <b>10,223,146</b> |
| <b>Depreciation</b>       |                           |                             |                        |                |                   |
| At 1 May 2014             | —                         | 61,977                      | 65,175                 | 74,492         | 201,644           |
| Charge for the year       | —                         | 920                         | 62,899                 | 42,908         | 106,727           |
| On disposals              | —                         | —                           | (13,888)               | —              | (13,888)          |
| Acquisition of subsidiary | 2,281,887                 | —                           | 15,289                 | (5,558)        | 2,291,618         |
| <b>At 30 April 2015</b>   | <b>2,281,887</b>          | <b>62,897</b>               | <b>129,475</b>         | <b>111,842</b> | <b>2,586,101</b>  |
| <b>Net book value</b>     |                           |                             |                        |                |                   |
| <b>At 30 April 2015</b>   | <b>7,040,949</b>          | <b>2,955</b>                | <b>312,573</b>         | <b>280,568</b> | <b>7,637,045</b>  |
| At 30 April 2014          | —                         | 2,986                       | 121,463                | 58,910         | 183,359           |

#### Hire purchase agreements

Included within the net book value of £7,637,045 is £134,980 (2014 - £73,434) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £26,636 (2014 - £12,045).

# Manco South Limited

## Notes to the financial statements

Year ended 30 April 2015

### 13. Investments

| Company               | Group companies<br>£ |
|-----------------------|----------------------|
| <b>Cost</b>           |                      |
| Additions             | 4,499,999            |
| At 30 April 2015      | 4,499,999            |
| <b>Net book value</b> |                      |
| At 30 April 2015      | 4,499,999            |
| At 30 April 2014      | -                    |

|                                | Country of<br>incorporation | Holding         | Proportion of<br>voting rights<br>and shares<br>held | Nature of business              |
|--------------------------------|-----------------------------|-----------------|------------------------------------------------------|---------------------------------|
| <b>Subsidiary undertakings</b> |                             |                 |                                                      |                                 |
| All held by the company:       |                             |                 |                                                      |                                 |
| Coinford Holdings<br>Limited   | England                     | Ordinary shares | 100%                                                 | Intermediary Holding<br>Company |
| Formco Construction<br>Limited | England                     | Ordinary shares | 100%                                                 | Hire out Plant and<br>machinery |

Through its investment in Coinford Holdings Limited the company also holds indirectly investments at the balance sheet date in the following companies:

#### Coinford Limited

Nature of business - Groundwork contractor  
Share class - Ordinary  
% Holding - 100

#### Coinford Central Limited

Nature of business - Construction Contractors  
Share class - Ordinary  
% Holding - 100

#### Coinford Construction Limited

Nature of business - Construction Contractors  
Share class - Ordinary  
% Holding - 100

#### Coinford Plant Limited

Nature of business - Construction Contractors  
Share class - Ordinary  
% Holding - 100

# Manco South Limited

## Notes to the financial statements

Year ended 30 April 2015

### 14. Debtors

|                                            | 2015<br>£        | Group<br>2014<br>£ | 2015<br>£        | Company<br>2014<br>£ |
|--------------------------------------------|------------------|--------------------|------------------|----------------------|
| Trade debtors                              | 2,874,943        | 35,242             | -                | -                    |
| Amounts owed by group undertakings         | -                | -                  | 5,500,000        | -                    |
| Amounts owed by related companies          | 142,327          | 10,542,353         | -                | -                    |
| VAT recoverable                            | 1,295,361        | 1,430,091          | -                | -                    |
| Amounts recoverable on long term contracts | 2,696,040        | 510,055            | -                | -                    |
| Loans receivable                           | 1,428,583        | -                  | -                | -                    |
| Other debtors                              | 20,035           | 8,424              | -                | -                    |
| Deferred taxation (Note 15)                | 67,881           | 2,249              | -                | -                    |
| Called up share capital not paid           | 1                | -                  | 1                | -                    |
| Prepayments and accrued income             | 169,127          | 60,017             | -                | -                    |
|                                            | <u>8,694,298</u> | <u>12,588,431</u>  | <u>5,500,001</u> | <u>-</u>             |

The loan receivable of £1,400,000 is recoverable in full on 30 November 2019 and accrues interest at 3.5% per annum. It is secured by a first charge over properties held by Bosman Limited as per note 20.

### 15. Deferred taxation

The movement in the deferred taxation asset during the year was:

|                                   | Group<br>2015<br>£ | 2014<br>£    | Company<br>2015<br>£ | 2014<br>£ |
|-----------------------------------|--------------------|--------------|----------------------|-----------|
| Asset/(provision) brought forward | 2,249              | (1,971)      | -                    | -         |
| Increase in asset                 | <u>65,632</u>      | <u>4,220</u> | <u>-</u>             | <u>-</u>  |
| Asset carried forward             | <u>67,881</u>      | <u>2,249</u> | <u>-</u>             | <u>-</u>  |

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of:

| Group                                           | 2015<br>Provided<br>£ | Unprovided<br>£ | 2014<br>Provided<br>£ | Unprovided<br>£ |
|-------------------------------------------------|-----------------------|-----------------|-----------------------|-----------------|
| Excess of depreciation over taxation allowances | <u>67,881</u>         | <u>-</u>        | <u>2,249</u>          | <u>-</u>        |

### 16. Creditors: amounts falling due within one year

|                                    | 2015<br>£         | Group<br>2014<br>£ | 2015<br>£ | Company<br>2014<br>£ |
|------------------------------------|-------------------|--------------------|-----------|----------------------|
| Amounts owed to related company    | -                 | 3,985,915          | -         | -                    |
| Bank loans                         | 179,680           | -                  | -         | -                    |
| Trade creditors                    | 8,427,536         | 8,026,666          | -         | -                    |
| Hire purchase agreements           | 1,683,971         | 18,994             | -         | -                    |
| Corporation tax                    | 361,365           | 393,509            | -         | -                    |
| Other taxation and social security | 78,917            | 79,792             | -         | -                    |
| Other creditors                    | 497,935           | 550,996            | -         | -                    |
| Accruals and deferred income       | 1,266,254         | 282,412            | -         | -                    |
|                                    | <u>12,495,658</u> | <u>13,338,284</u>  | <u>-</u>  | <u>-</u>             |

**Manco South Limited**

**Notes to the financial statements**

**Year ended 30 April 2015**

**17. Creditors: amounts falling due after more than one year**

|                          | 2015<br>£        | Group<br>2014<br>£ | 2015<br>£ | Company<br>2014<br>£ |
|--------------------------|------------------|--------------------|-----------|----------------------|
| Bank loans               | 195,319          | -                  | -         | -                    |
| Hire purchase agreements | 1,857,117        | 54,440             | -         | -                    |
|                          | <u>2,052,436</u> | <u>54,440</u>      | <u>-</u>  | <u>-</u>             |

**18. Commitments under hire purchase agreements**

Future commitments under hire purchase agreements are as follows:

|                                      | 2015<br>£          | Group<br>2014<br>£ | 2015<br>£ | Company<br>2014<br>£ |
|--------------------------------------|--------------------|--------------------|-----------|----------------------|
| Amounts payable within 1 year        | (1,683,971)        | (18,994)           | -         | -                    |
| Amounts payable between 2 to 5 years | (1,857,117)        | (54,440)           | -         | -                    |
|                                      | <u>(3,541,088)</u> | <u>(73,434)</u>    | <u>-</u>  | <u>-</u>             |

The equipment purchased on hire purchase is not subject to any further security.

**19. Commitments under operating leases**

At 30 April 2015 the group had annual commitments under non-cancellable operating leases as set out below.

| Group                          | 2015                       |                  | 2014                       |                  |
|--------------------------------|----------------------------|------------------|----------------------------|------------------|
|                                | Land and<br>buildings<br>£ | Other items<br>£ | Land and<br>buildings<br>£ | Other items<br>£ |
| Operating leases which expire: |                            |                  |                            |                  |
| Within 1 year                  | -                          | -                | -                          | 1,657            |
| Within 2 to 5 years            | 50,000                     | -                | 50,000                     | -                |
|                                | <u>50,000</u>              | <u>-</u>         | <u>50,000</u>              | <u>1,657</u>     |

# Manco South Limited

## Notes to the financial statements

Year ended 30 April 2015

### 20. Related party transactions

|                                  | £                                         | £                                        | £              | £          |
|----------------------------------|-------------------------------------------|------------------------------------------|----------------|------------|
|                                  | Amounts<br>owed to at<br>at 30 April<br>£ | Amounts<br>owed from<br>at 30 April<br>£ | Purchases<br>£ | Sales<br>£ |
| 2015                             |                                           |                                          |                |            |
| Coinford Construction Ltd        | -                                         | -                                        | 189,296        | 47,391,591 |
| Coinford Plant Ltd               | -                                         | -                                        | 559,641        | 2,421,410  |
| Formco Construction Limited      | -                                         | -                                        | -              | 187,772    |
| Hickey Retirement Benefit Scheme | -                                         | 5,000                                    | -              | -          |
| Boss Services Plant Hire Limited | -                                         | 137,327                                  | -              | -          |
|                                  | -                                         | 142,327                                  | 748,937        | 50,000,773 |
|                                  |                                           |                                          |                |            |
|                                  | Amounts<br>owed to<br>£                   | Amounts<br>owed from<br>£                | Purchases<br>£ | Sales<br>£ |
| 2014                             |                                           |                                          |                |            |
| Coinford Construction Ltd        | (3,985,915)                               | 9,187,791                                | 253,231        | 47,406,328 |
| Coinford Contracts Ltd           | -                                         | 503,341                                  | 61,645         | 217,918    |
| Coinford Plant Ltd               | -                                         | 529,401                                  | 5,246,415      | 215,259    |
| Coinford Formwork Ltd            | -                                         | 16,141                                   | -              | 13,450     |
| Boss Services Plant Hire Ltd     | -                                         | 300,834                                  | 65,865         | 33,371     |
| Coinford Burstow Ltd             | -                                         | 4,845                                    | 220,020        | 10,140     |
|                                  | (3,985,915)                               | 10,542,353                               | 5,847,176      | 47,896,466 |

The above companies are related parties as the shareholders of the companies are M A Hickey and J G Hickey, who are the directors of Coinford Holdings Ltd.

During the year M A Hickey and J G Hickey received remuneration of £32,000 and £42,000 respectively (2014: £32,000 and £43,500 respectively), and benefits in kind of £47,428 (2014: £46,803), which are included in administrative expenditure.

Coinford Construction Ltd, Formco Construction Limited and Coinford Plant Ltd were under common control until 30 April 2015, at which point they became part of the group.

The Hickey Retirement Benefit Scheme is a pension scheme in which the directors are beneficiaries.

At the year end, a loan of £1,400,000 (plus £25,583 interest) was receivable from Bosman Limited a company controlled by a trust that the directors are beneficiaries of. For terms of this loan see note 14.

#### Company

The company has taken advantage of the exemption in FRS8, paragraph 3(c) from disclosing transactions with members of Manco South Group due to them being 100% subsidiaries.

**Manco South Limited**

**Notes to the financial statements**

**Year ended 30 April 2015**

**21. Share capital**

**Allotted and called up:**

|                                             | 2015<br>No        | £                 | 2014<br>No     | £              |
|---------------------------------------------|-------------------|-------------------|----------------|----------------|
| Ordinary shares (2014 - 101,020) of £1 each | <u>10,000,000</u> | <u>10,000,000</u> | <u>101,020</u> | <u>101,020</u> |

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

|                 | 2015<br>£ | 2014<br>£ |
|-----------------|-----------|-----------|
| Ordinary shares | <u>1</u>  | <u>-</u>  |

**22. Reserves**

**Group**

|                         | Merger Reserve<br>£ | Profit and loss<br>account<br>£ |
|-------------------------|---------------------|---------------------------------|
| Balance brought forward | -                   | 3,219,084                       |
| Profit for the year     | -                   | 1,307,007                       |
| Other movements         |                     |                                 |
| Other                   | (3,499,899)         | -                               |
| Balance carried forward | <u>(3,499,899)</u>  | <u>4,526,091</u>                |

**Company**

|                         | Profit and loss<br>account<br>£ |
|-------------------------|---------------------------------|
| Balance carried forward | <u>-</u>                        |

**Manco South Limited****Notes to the financial statements****Year ended 30 April 2015****23. Reconciliation of movements in shareholders' funds**

|                                                                | 2015<br>£   | 2014<br>£ |
|----------------------------------------------------------------|-------------|-----------|
| Profit for the financial year                                  | 1,307,007   | 714,077   |
| New ordinary share capital issued                              | 10,000,000  | –         |
| Repayment of capital                                           | (101,020)   | –         |
| Merger reserve created on acquisition of Coinford Holdings Ltd | (3,499,899) | –         |
| Net addition to shareholders' funds                            | 7,706,088   | 714,077   |
| Opening shareholders' funds                                    | 3,320,104   | 2,606,027 |
| Closing shareholders' funds                                    | 11,026,192  | 3,320,104 |

**24. Notes to the cash flow statement****Reconciliation of operating profit to net cash (outflow)/inflow from operating activities**

|                                                     | 2015<br>£ | 2014<br>£   |
|-----------------------------------------------------|-----------|-------------|
| Operating profit                                    | 1,270,980 | 870,244     |
| Amortisation                                        | 228,554   | 228,554     |
| Depreciation                                        | 106,727   | 57,254      |
| Loss/(profit) on disposal of fixed assets           | 34,503    | (6,519)     |
| Decrease in debtors                                 | 1,183,310 | 974,582     |
| (Decrease) in creditors                             | (366,504) | (1,692,240) |
| Net cash (outflow)/inflow from operating activities | 2,457,570 | 431,875     |

**Returns on investments and servicing of finance**

|                                                                                | 2015<br>£ | 2014<br>£ |
|--------------------------------------------------------------------------------|-----------|-----------|
| Interest received                                                              | 28,579    | 1,539     |
| Interest paid                                                                  | (12,437)  | (20,953)  |
| Interest element of hire purchase                                              | (3,756)   | (17,845)  |
| Net cash inflow/(outflow) from returns on investments and servicing of finance | 12,386    | (37,259)  |

**Taxation**

|          | 2015<br>£ | 2014<br>£ |
|----------|-----------|-----------|
| Taxation | (501,097) | 148,875   |

**Manco South Limited**

**Notes to the financial statements**

**Year ended 30 April 2015**

**24. Notes to the cash flow statement (continued)**

**Capital expenditure and financial investment**

|                                                                   | 2015<br>£        | 2014<br>£       |
|-------------------------------------------------------------------|------------------|-----------------|
| Payments to acquire tangible fixed assets                         | (509,142)        | (75,063)        |
| Receipts from sale of fixed assets                                | 53,247           | 36,350          |
| Net cash outflow for capital expenditure and financial investment | <u>(455,895)</u> | <u>(38,713)</u> |

**Acquisitions and disposals**

|                                                 | 2015<br>£        | 2014<br>£ |
|-------------------------------------------------|------------------|-----------|
| Net cash acquired with trade/business           | 2,219,608        | —         |
| Net cash inflow from acquisitions and disposals | <u>2,219,608</u> | <u>—</u>  |

**Financing**

|                                  | 2015<br>£       | 2014<br>£      |
|----------------------------------|-----------------|----------------|
| Purchase of own equity shares    | (100,920)       | —              |
| Capital element of hire purchase | 66,924          | (6,638)        |
| Net cash inflow from financing   | <u>(33,996)</u> | <u>(6,638)</u> |

**Reconciliation of net cash flow to movement in net debt**

|                                                   | 2015<br>£        | 2014<br>£        |
|---------------------------------------------------|------------------|------------------|
| Increase in cash in the period                    | 3,698,576        | 498,140          |
| Cash outflow in respect of hire purchase          | (66,924)         | 6,638            |
| Hire purchase agreements acquired with subsidiary | (3,400,730)      | —                |
| Bank loans acquired with subsidiary               | (374,999)        | —                |
|                                                   | <u>(144,077)</u> | <u>504,778</u>   |
| Change in net debt                                | (144,077)        | 504,778          |
| Net funds at 1 May 2014                           | 2,724,834        | 2,220,056        |
| Net debt at 30 April 2015                         | <u>2,580,757</u> | <u>2,724,834</u> |

# Manco South Limited

## Notes to the financial statements

Year ended 30 April 2015

### 24. Notes to the cash flow statement (continued)

#### Analysis of changes in net debt

|                          | At<br>1 May 2014<br>£ | Cash flows<br>£  | Acquisition<br>(excl. cash)<br>£ | At<br>30 Apr 2015<br>£ |
|--------------------------|-----------------------|------------------|----------------------------------|------------------------|
| Net cash:                |                       |                  |                                  |                        |
| Cash in hand and at bank | 2,798,268             | 3,698,576        | –                                | 6,496,844              |
| Debt:                    |                       |                  |                                  |                        |
| Debt due within 1 year   | –                     | –                | (179,680)                        | (179,680)              |
| Debt due after 1 year    | –                     | –                | (195,319)                        | (195,319)              |
| Hire purchase agreements | (73,434)              | (66,924)         | (3,400,730)                      | (3,541,088)            |
|                          | <u>(73,434)</u>       | <u>(66,924)</u>  | <u>(3,775,729)</u>               | <u>(3,916,087)</u>     |
| Net debt                 | <u>2,724,834</u>      | <u>3,631,652</u> | <u>(3,775,729)</u>               | <u>2,580,757</u>       |

### 25. Acquisition of subsidiaries

#### Acquisition of Coinford Construction Limited

|                     | Fair value and<br>book value<br>£ |
|---------------------|-----------------------------------|
| Net assets acquired |                                   |
| Cash                | 939,894                           |
| Trade debtors       | 8,958,650                         |
| Trade creditors     | (7,274,167)                       |
| Other creditors     | (195,319)                         |
|                     | <u>2,429,058</u>                  |
| Goodwill arising    | <u>2,070,942</u>                  |
| Satisfied by:       |                                   |
| Cash consideration  | <u>4,500,000</u>                  |

#### Acquisition of Coinford Plant Limited

|                       | Fair value and<br>book value<br>£ |
|-----------------------|-----------------------------------|
| Net assets acquired   |                                   |
| Cash                  | 1,024,236                         |
| Tangible fixed assets | 4,907,756                         |
| Trade debtors         | 1,579,111                         |
| Trade creditors       | (4,506,358)                       |
| Other creditors       | (1,766,786)                       |
|                       | <u>1,237,959</u>                  |
| Goodwill arising      | <u>(237,959)</u>                  |
| Satisfied by:         |                                   |
| Cash consideration    | <u>1,000,000</u>                  |

# Manco South Limited

## Notes to the financial statements

Year ended 30 April 2015

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### 25. Acquisition of subsidiaries (continued)

The acquisition of Coinford Construction Limited and Coinford Plant Limited are part of the same transaction so the net goodwill has been recognised on the group balance sheet

#### Acquisition of Formco Construction Limited

|                       | Fair value and<br>book value<br>£ |
|-----------------------|-----------------------------------|
| Net assets acquired   |                                   |
| Cash                  | 255,478                           |
| Tangible fixed assets | 2,231,265                         |
| Trade debtors         | 174,629                           |
| Trade creditors       | (1,367,981)                       |
| Other creditors       | (3,043)                           |
|                       | <u>1,290,348</u>                  |
| Goodwill arising      | <u>(290,348)</u>                  |
| Satisfied by:         |                                   |
| Cash consideration    | <u>1,000,000</u>                  |

The negative goodwill on acquisition of Formco Construction Limited has been written back to the profit and loss in year of acquisition