

Company Registration Number 09434310

Manco South Limited

Annual report

30 April 2016



Manco South Limited

Annual report

Year ended 30 April 2016

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Manco South Limited
Company information

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

Solicitors

Irwin Mitchell LLP
Belmont House
Station Way
Crawley
RH10 1JA

Manco South Limited

Strategic report

Year ended 30 April 2016

The directors present their strategic report and the audited financial statements of the group for the year ended 30 April 2016.

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.

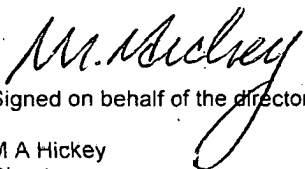
During the year turnover increased by £10,805,852 or 17%, gross profit increased by £6,754,929 or 153% and profit before tax increased by £1,363,957 or 87%. This is consistent with the improving trend in the construction sector.

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 31 January 2017

Manco South Limited

Directors' report

Year ended 30 April 2016

The directors present their report and the audited financial statements of the group for the year ended 30 April 2016.

Results and dividends

The profit for the year, after taxation, amounted to £2,138,170. The directors have not recommended a dividend.

Directors

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

Mr M A Hickey (appointed 1 June 2015)

Mr J G Hickey

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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.

Strategic report

Business review and principal risks are presented within the strategic report on page 2

Disclosure of information to auditors

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.

Manco South Limited

Directors' report

Year ended 30 April 2016

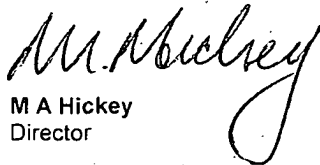
Post balance sheet events

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

Auditor

Moore Stephens LLP have been re-appointed as auditors for the ensuing year in accordance with section 487(2) of the Companies Act 2006.

Signed on behalf of the directors



M A Hickey
Director

Approved by the directors on 31 January 2017

Manco South Limited

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

Year ended 30 April 2016

We have audited the group and parent company financial statements ("the financial statements") of Manco South Limited for the year ended 30 April 2016 which comprise the profit and loss account, 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 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 parent company's affairs as at 30 April 2016 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.

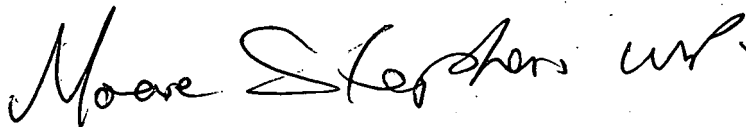
Opinion on other matter prescribed by the Companies Act 2006

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



RICHARD WILLIS BSC ACA (Senior Statutory Auditor)

Moore Stephens LLP

Chartered Accountants
Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB
Date: 31 January 2017

Manco South Limited**Consolidated Statement of Comprehensive Income****Year ended 30 April 2016**

	Note	2016 £	2015 £
Group turnover	2	73,005,099	62,199,247
Cost of sales		<u>61,848,785</u>	<u>57,797,862</u>
Gross profit		11,156,314	4,401,385
Administrative expenses		8,099,045	6,224,518
Other operating income	3	-	(3,094,113)
Operating profit	4	3,057,269	1,270,980
Interest receivable		112,503	28,579
Exceptional items	7	-	289,248
Interest payable and similar charges	8	(233,201)	(16,193)
Profit on ordinary activities before taxation		2,936,571	1,572,614
Tax on profit on ordinary activities	9	798,401	265,607
Profit for the financial year	10	<u>2,138,170</u>	<u>1,307,007</u>

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

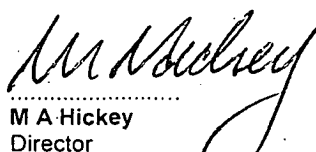
The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account.

The notes on pages 11 to 23 form part of these financial statements.

Manco South Limited**Consolidated Statement of Financial Position****As at 30 April 2016**

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	11	2,056,040	2,746,099
Tangible assets	12	8,555,491	7,637,045
		<u>10,611,531</u>	<u>10,383,144</u>
 Current assets			
Debtors	14	11,727,938	8,694,298
Cash at bank and in hand		6,894,502	6,496,844
		<u>18,622,440</u>	<u>15,191,142</u>
 Creditors: amounts falling due within one year	16	<u>21,436,606</u>	<u>12,495,658</u>
 Net current assets / (liabilities)		<u>(2,814,166)</u>	<u>2,695,484</u>
 Total assets less current liabilities		<u>7,797,365</u>	<u>13,078,628</u>
 Creditors: amounts falling due after more than one year	17	<u>2,633,009</u>	<u>2,052,436</u>
		<u>5,164,356</u>	<u>11,026,192</u>
 Capital and reserves			
Called up equity share capital	21	2,000,000	10,000,000
Merger reserve	22	(3,499,899)	(3,499,899)
Profit and loss account	22	6,664,257	4,526,091
 Shareholders' funds		<u>5,164,356</u>	<u>11,026,192</u>

These financial statements were approved by the directors and authorised for issue on 31 January 2017, and are signed on their behalf by:


M A Hickey
Director

The notes on pages 11 to 23 form part of these financial statements.

Manco South Limited**Statement of Financial Position****As at 30 April 2016**

	Note	2016 £	2015 £
Fixed assets			
Investments	13	<u>4,499,999</u>	<u>4,499,999</u>
Current assets			
Debtors	14	1	5,500,001
Cash at bank and in hand		479	-
Creditors: amounts falling due after more than one year	17	<u>1,964,479</u>	-
Total assets		<u><u>2,536,000</u></u>	<u><u>10,000,000</u></u>
Capital and reserves			
Called up equity share capital	21	2,000,000	10,000,000
Profit and loss account		<u>536,000</u>	-
Shareholders' funds		<u><u>2,536,000</u></u>	<u><u>10,000,000</u></u>

These financial statements were approved by the directors and authorised for issue on 31 January 2017, and are signed on their behalf by:


M A Hickey

Company Registration Number: 09434310

The notes on pages 11 to 23 form part of these financial statements.

Manco South Limited

Statement of Changes in Equity

Year ended 30 April 2016

Group	Share capital £	Merger reserve £	Profit and loss account £	Total £
Equity shareholders' funds as at 1 May 2014	101,020	-	3,219,079	3,320,099
Transactions with owners				
New ordinary share capital issued	10,000,000	-	-	10,000,000
Repayment of capital	(101,020)	-	-	(101,020)
Merger reserve created on acquisition of Coinford Holding Ltd	-	(3,499,899)	-	(3,499,899)
Profit and total comprehensive income for the year	-	-	1,307,007	1,307,007
Equity shareholders' funds as at 30 April 2015	10,000,000	(3,499,899)	4,526,086	11,026,187
Transactions with owners				
Ordinary share repurchase	(8,000,000)	-	-	(8,000,000)
Profit and total comprehensive income for the year	-	-	2,138,170	2,138,170
Equity shareholders' funds as at 30 April 2016	2,000,000	(3,499,899)	6,664,256	5,164,356

Company	Share capital £	Profit and loss account £	Total £
Equity shareholders' funds as at 1 May 2014	-	-	-
Transactions with owners			
Ordinary share issue	10,000,000	-	10,000,000
Equity shareholders' funds as at 30 April 2015	10,000,000	-	10,000,000
Transactions with owners			
Ordinary share repurchase	(8,000,000)	-	(8,000,000)
Profit and total comprehensive income for the year	-	536,000	536,000
Equity shareholders' funds as at 30 April 2016	2,000,000	536,000	2,536,000

The notes on pages 11 to 23 form part of these financial statements.

Manco South Limited**Consolidated Statement of Cash Flows****Year ended 30 April 2016**

	Note	2016 £	2015 £
Net cash inflow from operating activities	23	11,383,996	2,457,570
Returns on investments and servicing of finance	23	(120,698)	12,386
Taxation	23	(364,523)	(501,097)
Capital expenditure and financial investment	23	(844,595)	(455,895)
Acquisitions and disposals	23	-	2,219,608
Cash inflow before financing		10,054,180	3,732,572
Financing	23	(9,656,522)	(33,996)
Increase in cash	23	<u>397,658</u>	<u>3,698,576</u>

The notes on pages 11 to 23 form part of these financial statements.

Manco South Limited

Notes to the financial statements

Year ended 30 April 2016

1. Accounting policies

General information

The financial statements are prepared in sterling, which is the functional currency of the company. The company is a United Kingdom company limited by shares. It is both incorporated and domiciled in England and Wales. The address of the registered office is Redeham Hall, Redeham road, Burstow, Surrey, RH6 9RJ.

Basis of accounting

The consolidated financial statements have been prepared in accordance with Financial Reporting Standard 102 as issued by the Financial Reporting Council. The financial statements have been prepared on the historical cost basis. The principal accounting policies that have been applied consistently by all Group companies to all periods presented in these consolidated financial statements are set out below.

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

The company transitioned from previous UK GAAP to FRS 102 as at 1 May 2014. These are the company's first set of financial statements prepared in accordance with FRS 102. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 25.

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. As a consolidated statement of comprehensive income is published, a separate statement of comprehensive income for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Revenue recognition

The turnover shown in the statement of comprehensive income represents work undertaken during the year, exclusive of Value Added Tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of businesses in 2009 and 2016, is being amortised evenly over its estimated useful life of five years.

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 5 years

Fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

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

Manco South Limited

Notes to the financial statements

Year ended 30 April 2016

1. Accounting policies (*continued*)

Debtors

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

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.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

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

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

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

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Long term contracts

The company's interest in long term contracts is stated as the accumulated cost charged to the contracts plus the attributable net profit or loss and less the amounts billed to customers. The resulting amounts recoverable on contracts are included in debtors. However, where the recorded value of work done is less than receipts, the excess is included in creditors as payments received on account.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

Manco South Limited

Notes to the financial statements

Year ended 30 April 2016

1. Accounting policies (*continued*)

Leasing and hire purchase commitments

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Assets held under finance leases are recognised as assets of the Group at the lower of the assets fair value at the date of acquisition and the present value of the minimum lease payments. The related liability to the lessor is included in the statement of financial position as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitment and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Interest income

Interest income is recognised in the Income Statement on a received basis.

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 statement of comprehensive income.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Judgments in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

WIP Valuation

The valuation of the WIP as described in the long-term contracts accounting policy could result in a material adjustment to the carrying amount disclosed in debtors. At the year end the balance of WIP included as amounts recoverable on contracts was £5,064,138 (2015: £2,680,115).

Manco South Limited

Notes to the financial statements

Year ended 30 April 2016

1. Accounting policies (*continued*)

Financial risk management

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board is responsible for developing and monitoring the company's risk management strategy and policies. There have been no changes to the company's exposures to risk or the methods used to measure and manage these risks during the year.

Credit risk management

Trade accounts receivable are from a broad customer base. The company monitors the financial position of their customers on an ongoing basis. The granting of credit is controlled by application and account limits. An allowance is made for specific bad debts and at the reporting date management did not consider there to be any material credit risk exposure.

The Directors do not feel the company is exposed to any other significant financial risk.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group, and are derived from activities wholly within the United Kingdom.

An analysis of turnover is given below:

	2016 £	2015 £
Provision of groundwork and building services	<u>73,005,099</u>	<u>62,199,247</u>

3. Other operating income

	2016 £	2015 £
Management charges receivable	<u>-</u>	<u>3,094,113</u>

4. Operating profit

Operating profit is stated after charging/(crediting):

	2016 £	2015 £
Amortisation of intangible assets	690,059	228,554
Depreciation of owned fixed assets	907,764	80,091
Depreciation of assets held under hire purchase agreements	1,913,603	26,636
Foreign exchange gain	27,089	-
(Profit)/loss on disposal of fixed assets	(22,862)	34,503
Auditor's remuneration		
- as auditor	50,000	45,000
- for other services	6,000	6,000
Operating lease costs:		
- Land and Buildings	50,000	50,000
- Plant and equipment	-	1,145

Manco South Limited

Notes to the financial statements

Year ended 30 April 2016

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:

	2016 No	2015 No
Number of distribution and administrative staff	107	132
Number of management staff	3	3
	<u>110</u>	<u>135</u>

The aggregate payroll costs of the above were:

	2016 £	2015 £
Wages and salaries	3,477,143	3,024,371
Social security costs	347,916	305,810
Other pension costs	17,971	2,650
	<u>3,843,030</u>	<u>3,332,831</u>

6. Directors' remuneration

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

	2016 £	2015 £
Remuneration receivable	<u>70,000</u>	<u>60,714</u>

7. Exceptional items

	2016 £	2015 £
Write off of negative goodwill	-	290,348
Amount written off investment	-	(1,100)
	<u>-</u>	<u>289,248</u>

8. Interest payable and similar charges

	2016 £	2015 £
Interest payable on bank borrowing	13,475	7,971
Finance charges	179,068	3,756
Other similar charges payable	40,658	4,466
	<u>233,201</u>	<u>16,193</u>

Manco South Limited**Notes to the financial statements****Year ended 30 April 2016**

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

	2016 £	2015 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20% (2015 – 24.67%)	980,667	349,651
Over provision in prior year	(21,842)	(18,412)
Total current tax	958,825	331,239
Deferred tax:		
Origination and reversal of timing differences	(160,425)	(65,632)
Tax on profit on ordinary activities	798,400	265,607

(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 20% (2015 – 24.67%).

	2016 £	2015 £
Profit on ordinary activities before taxation	2,936,571	1,572,614
Profit on ordinary activities multiplied by rate of tax	587,314	387,964
Expenses not deductible for tax purposes	480,980	18,817
Excess depreciation over capital allowances	(177)	6,392
Unrelieved tax losses	1,611	(12,010)
Adjustments to tax charge in respect of previous periods	(21,842)	(18,412)
Income not deductible for tax purposes	-	783
Opening adjustment to deferred tax	(10,867)	-
Deferred tax	(160,425)	(65,632)
Additional deduction for R&D expenditure	(78,193)	(52,295)
Total current tax (note 9(a))	798,401	265,607

10. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £536,000 (2015 - £Nil).

Manco South Limited

Notes to the financial statements

Year ended 30 April 2016

11. Intangible fixed assets

Group	Goodwill £
Cost	
At 30 April 2016 and 1 May 2015	<u>3,778,149</u>
Amortisation	
At 1 May 2015	1,032,050
Charge for the year	690,059
At 30 April 2016	<u>1,722,109</u>
Net book value	
At 30 April 2016	<u>2,056,040</u>
At 30 April 2015	<u>2,746,099</u>

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 & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost					
At 1 May 2015	11,111,583	65,852	477,927	408,800	12,064,162
Additions	4,532,005	1,125	—	49,262	4,582,392
Disposals	(1,849,818)	—	(51,810)	(2,813)	(1,904,441)
At 30 April 2016	<u>13,793,770</u>	<u>66,977</u>	<u>426,117</u>	<u>455,249</u>	<u>14,742,113</u>
Depreciation					
At 1 May 2015	4,070,633	62,897	165,354	128,233	4,427,117
Charge for the year	2,620,617	1,217	119,125	80,408	2,821,367
On disposals	(1,013,415)	—	(47,324)	(1,122)	(1,061,861)
At 30 April 2016	<u>5,677,835</u>	<u>64,114</u>	<u>237,155</u>	<u>207,519</u>	<u>6,186,623</u>
Net book value					
At 30 April 2016	<u>8,115,935</u>	<u>2,863</u>	<u>188,963</u>	<u>247,730</u>	<u>8,555,491</u>
At 30 April 2015	<u>7,040,949</u>	<u>2,955</u>	<u>312,573</u>	<u>280,568</u>	<u>7,637,045</u>

Hire purchase agreements

Included within the net book value of £8,555,491 is £5,973,392 (2015 - £134,980) 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 £1,913,603 (2015 - £26,636).

Manco South Limited

Notes to the financial statements

Year ended 30 April 2016

13. Investments

Company	Group companies £
Net book value At 30 April 2016 and 30 April 2015	<u>4,499,999</u>

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

Share class - Ordinary

% Holding - 100

Manco South Limited

Notes to the financial statements

Year ended 30 April 2016

14. Debtors

	2016 £	Group 2015 £	2016 £	Company 2015 £
Trade debtors	2,935,033	2,874,943	-	-
Amounts owed by group undertakings	-	-	1	5,500,000
Amounts owed by related companies	-	142,327	-	-
VAT recoverable	1,882,495	1,295,361	-	-
Amounts recoverable on long term contracts	5,064,138	2,696,040	-	-
Loans receivable	-	1,428,583	-	-
Other debtors	-	20,035	-	-
Deferred taxation (Note 15)	228,306	67,881	-	-
Called up share capital not paid	-	1	-	1
Prepayments and accrued income	1,617,966	169,127	-	-
	<u>11,727,938</u>	<u>8,694,298</u>	<u>1</u>	<u>5,500,001</u>

15. Deferred taxation

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

	Group 2016 £	2015 £	Company 2016 £	2015 £
Asset brought forward	67,881	2,249	-	-
Increase in asset	160,425	65,632	-	-
Asset carried forward	<u>228,306</u>	<u>67,881</u>	<u>-</u>	<u>-</u>

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

Group	2016 Provided £	2016 Unprovided £	2015 Provided £	2015 Unprovided £
Excess of depreciation over taxation allowances	<u>228,306</u>	<u>-</u>	<u>67,881</u>	<u>-</u>

16. Creditors: amounts falling due within one year

	2016 £	Group 2015 £	2016 £	Company 2015 £
Bank loans	167,128	179,680	-	-
Trade creditors	9,549,904	8,427,536	-	-
Hire purchase agreements	2,271,040	1,683,971	-	-
Amounts owed by group undertakings	-	-	-	-
Corporation tax	828,283	361,365	-	-
Other taxation and social security	134,171	78,917	-	-
Provisions	1,306,615	-	-	-
Other creditors	3,111,307	497,935	-	-
Accruals and deferred income	4,068,158	1,266,254	-	-
	<u>21,436,606</u>	<u>12,495,658</u>	<u>-</u>	<u>-</u>

Manco South Limited

Notes to the financial statements

Year ended 30 April 2016

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

	2016 £	Group 2015 £	2016 £	Company 2015 £
Amounts owed to group	–	–	1,964,479	–
Bank loans	41,203	195,319	–	–
Hire purchase agreements	2,591,806	1,857,117	–	–
	<u>2,633,009</u>	<u>2,052,436</u>	<u>1,964,479</u>	<u>–</u>

18. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2016 £	Group 2015 £	2016 £	Company 2015 £
Amounts payable within 1 year	2,271,040	1,683,971	–	–
Amounts payable between 2 to 5 years	2,591,806	1,857,117	–	–
	<u>4,862,846</u>	<u>3,541,088</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 2016 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2016		2015	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	–	–	–	–
Within 2 to 5 years	100,000	–	150,000	–
	<u>100,000</u>	<u>–</u>	<u>150,000</u>	<u>–</u>

Manco South Limited

Notes to the financial statements

Year ended 30 April 2016

20. Related party transactions

The company has taken advantage of the exemption given by section 33 of FRS 102, and has therefore not given details of transactions with its wholly-owned trading subsidiaries due to the consolidated financial statements being available from the company's registered office.

	£	£	£	£
	Amounts owed to at at 30 April £	Amounts owed from at 30 April £	Purchases £	Sales £
2016				
Hickey Retirement Benefit Scheme	-	5,000	50,000	-
	-	-	50,000	-
	Amounts owed to £	Amounts owed from £	Purchases £	Sales £
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	50,000	-
Boss Services Plant Hire Limited	-	137,327	-	-
	-	142,327	798,937	50,000,773

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.

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

At the year end, a loan of £Nil (2015:£1,400,000 plus £28,853 interest) was receivable from Bosman Limited a company controlled by a trust that the directors are beneficiaries of.

Manco South Limited

Notes to the financial statements

Year ended 30 April 2016

21. Share capital

Allotted and called up:

	2016 No	£	2015 No	£
Ordinary shares (2015 – 10,000,000) of £1 each	<u>2,000,000</u>	<u>2,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>

The share capital of the company was reduced during the year by way of a share capital distribution of £8,000,000.

22. Reserves

Called up share capital - This reserve records the nominal value received for shares issued.

Profit and loss reserve - This reserve records retained earnings and accumulated losses.

Merger reserve - This reserve records the difference between the net book value of companies at date of acquisition by the group and the nominal value of the shares issued to acquire the respective company.

23. Notes to the cash flow statement

Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2016 £	2015 £
Operating profit	3,057,269	1,270,980
Amortisation	690,059	228,554
Depreciation	2,821,367	106,727
Loss/(profit) on disposal of fixed assets	(83,605)	34,503
Decrease in debtors	3,033,640	1,183,310
(Decrease) in creditors	1,865,266	(366,504)
Net cash (outflow)/inflow from operating activities	<u>11,383,996</u>	<u>2,457,570</u>

Returns on investments and servicing of finance

	2016 £	2015 £
Interest received	115,503	28,579
Interest paid	(57,133)	(12,437)
Interest element of hire purchase	(179,068)	(3,756)
Net cash inflow/(outflow) from returns on investments and servicing of finance	<u>(120,698)</u>	<u>12,386</u>

Manco South Limited

Notes to the financial statements

Year ended 30 April 2016

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

Taxation

	2016 £	2015 £
Taxation	<u>(364,523)</u>	<u>(501,097)</u>

Capital expenditure and financial investment

	2016 £	2015 £
Payments to acquire tangible fixed assets	(1,770,780)	(509,142)
Receipts from sale of fixed assets	<u>926,185</u>	<u>53,247</u>
Net cash outflow for capital expenditure and financial investment	<u>(844,595)</u>	<u>(455,895)</u>

Acquisitions and disposals

	2016 £	2015 £
Net cash acquired with trade/business	-	2,219,608
Net cash inflow from acquisitions and disposals	<u>-</u>	<u>2,219,608</u>

Financing

	2016 £	2015 £
Repayment of bank loan	(166,668)	-
Purchase of own equity shares	(8,000,000)	(100,920)
Capital element of hire purchase	<u>(1,489,854)</u>	<u>66,924</u>
Net cash inflow from financing	<u>(9,656,522)</u>	<u>(33,996)</u>

24. Controlling party

The controlling parties of the company are M A Hickey and J G Hickey as they each own 50% of the issued share capital of the company.

25. Transition to FRS 102

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

The company transitioned to FRS 102, previously UK GAAP, as at 1 May 2014. Accounts prepared to 30 April 2015 were prepared under previous UK GAAP.

Intercompany loans

FRS 102 requires that all loans that are payable/receivable in more than one year are carried at amortised in the financial statements. For those loans that are interest free, this involves calculating the NPV of the loan using the effective interest method. Intercompany loans with no formal agreements in place are considered to be payable/receivable within one year. As there are no formal agreements in place, all intercompany loans have been classified as payable/receivable within one year.