

Company Registration Number 09434310

Manco South Limited

Annual report

30 April 2017

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Manco South Limited

Annual report

Year ended 30 April 2017

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Manco South Limited
Company information

The board of directors

Mr M A Hickey
Mr J G Hickey
Mr P D Timlin

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 2017

The directors present their strategic report and the audited financial statements of the group for the year ended 30 April 2017.

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 £28,458,119 or 39%, gross profit increased by £1,835,578 or 16% and profit before tax increased by £292,934 or 10%. 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

P D Timlin
Director



Approved by the directors on 31 January 2018

Manco South Limited

Directors' report

Year ended 30 April 2017

The directors present their report and the audited financial statements of the group for the year ended 30 April 2017.

Results and dividends

The profit for the year, after taxation, amounted to £3,170,571. 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 P D Timlin (appointed 1 February 2017)

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 2017

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

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

P D Timlin
Director

Approved by the directors on 31 January 2018

Manco South Limited

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

Year ended 30 April 2017

We have audited the group and parent company financial statements ("the financial statements") of Manco South Limited for the year ended 30 April 2017 which comprise the Consolidated statement of comprehensive income, consolidated statement of financial position, statement of financial position, consolidated statement of changes in equity, statement of changes in equity, consolidated statement of cash flows 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 2017 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those accounts. In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors Report.

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 2018

Manco South Limited**Consolidated Statement of Comprehensive Income****Year ended 30 April 2017**

	Note	2017 £	2016 £
Group turnover	2	101,463,218	73,005,099
Cost of sales		88,471,326	61,848,785
Gross profit		12,991,892	11,156,314
Administrative expenses		9,554,702	8,099,045
Operating profit	3	3,437,190	3,057,269
Interest receivable		32,057	112,503
Interest payable and similar charges	6	(239,742)	(233,201)
Profit on ordinary activities before taxation		3,229,505	2,936,571
Tax on profit on ordinary activities	7	58,934	798,401
Profit for the financial year		<u>3,170,571</u>	<u>2,138,170</u>

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

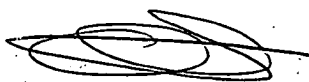
The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own statement of comprehensive income.

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 2017**

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	9	1,365,980	2,056,040
Tangible assets	10	9,468,003	8,555,491
		<u>10,833,983</u>	<u>10,611,531</u>
Current assets			
Debtors	12	22,217,515	16,516,630
Cash at bank and in hand		5,647,626	6,894,502
		<u>27,865,141</u>	<u>23,411,132</u>
Creditors: amounts falling due within one year	14	<u>25,432,862</u>	<u>24,918,683</u>
Net current assets / (liabilities)		<u>2,432,279</u>	<u>(1,507,551)</u>
Total assets less current liabilities		<u>13,266,262</u>	<u>9,103,980</u>
Creditors: amounts falling due after more than one year	15	4,931,333	3,939,622
		<u>8,334,929</u>	<u>5,164,358</u>
Capital and reserves			
Called up equity share capital	19	2,000,000	2,000,000
Merger reserve	20	(3,499,899)	(3,499,899)
Profit and loss account	20	9,834,828	6,664,257
Shareholders' funds		<u>8,334,929</u>	<u>5,164,358</u>

These financial statements were approved by the directors and authorised for issue on 31 January 2018 , and are signed on their behalf by:



.....
P D Timlin
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 2017**

	Note	2017 £	2016 £
Fixed assets			
Investments	11	<u>4,499,999</u>	<u>4,499,999</u>
Current assets			
Debtors	12	1	1
Cash at bank and in hand		895	479
Creditors: amounts falling due within one year	14	-	1,964,479
Total assets		<u><u>4,500,895</u></u>	<u><u>2,536,000</u></u>
Capital and reserves			
Called up equity share capital	19	2,000,000	2,000,000
Profit and loss account		2,500,895	536,000
Shareholders' funds		<u><u>4,500,895</u></u>	<u><u>2,536,000</u></u>

These financial statements were approved by the directors and authorised for issue on 31 January 2018 , and are signed on their behalf by:



.....
P D Timlin

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 2017

Consolidated	Share capital £	Merger reserve £	Profit and loss account £	Total £
Equity shareholders' funds as at 1 May 2015	10,000,000	(3,499,899)	4,526,087	11,026,188
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)	6,664,257	5,164,358
Profit and total comprehensive income for the year	-	-	3,170,571	3,170,571
Equity shareholders' funds as at 30 April 2017	2,000,000	(3,499,899)	9,834,828	8,334,929
Company	Share capital £	Profit and loss account £	Total £	
Equity shareholders' funds as at 1 May 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	
Profit and total comprehensive income for the year	-	1,964,895	1,964,895	
Equity shareholders' funds as at 30 April 2017	2,000,000	2,500,895	4,500,895	

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 2017**

	Note	2017 £	2016 £
Net cash inflow from operating activities	21	3,310,818	11,383,996
Returns on investments and servicing of finance	21	(207,685)	(120,698)
Taxation	21	(743,895)	(364,523)
Capital expenditure and financial investment	21	(4,006,463)	(844,595)
Cash inflow before financing		<u>(1,647,225)</u>	<u>10,054,180</u>
Financing	21	400,349	(9,656,522)
(Decrease)/Increase in cash	21	<u>(1,246,876)</u>	<u>397,658</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 2017

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 has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

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

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

Rendering of services

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

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

Goodwill

Goodwill, being the amount paid in connection with the acquisition of businesses in 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

Manco South Limited

Notes to the financial statements

Year ended 30 April 2017

1. Accounting policies (*continued*)

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.

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.

Manco South Limited

Notes to the financial statements

Year ended 30 April 2017

1. Accounting policies (*continued*)

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.

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.

Manco South Limited

Notes to the financial statements Year ended 30 April 2017

1. Accounting policies (*continued*)

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 £14,288,872 (2016: £9,852,830).

Financial risk management

The board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board is responsible for developing and monitoring the group's risk management strategy and policies. There have been no changes to the group'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 group 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:

	2017 £	2016 £
Provision of groundwork and building services	<u>101,463,218</u>	<u>73,005,099</u>

3. Operating profit

Operating profit is stated after charging/(crediting):

	2017 £	2016 £
Amortisation of intangible assets	690,060	690,060
Depreciation of owned fixed assets	1,336,321	907,764
Depreciation of assets held under hire purchase agreements	1,841,903	1,913,603
Foreign exchange gain	340	27,089
(Profit)/loss on disposal of fixed assets	(84,273)	(22,862)
Auditor's remuneration		
- as auditor	52,000	50,000
- for other services	9,910	6,000
Operating lease costs:		
- Land and Buildings	352,500	50,000
Pension contribution	<u>15,119</u>	<u>17,971</u>

Manco South Limited**Notes to the financial statements****Year ended 30 April 2017**

4. Particulars of employees

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

	2017 No	2016 No
Number of distribution and administrative staff	123	107
Number of management staff	3	3
	<u>126</u>	<u>110</u>

The aggregate payroll costs of the above were:

	2017 £	2016 £
Wages and salaries	30,235,621	20,467,847
Social security costs	410,286	347,916
Other pension costs	15,119	17,971
	<u>30,661,026</u>	<u>20,833,734</u>

There was £26,880,863 (2016:£16,990,704) of CIS labour costs included in wages and salaries above

5. Directors' remuneration

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

	2017 £	2016 £
Remuneration receivable	<u>190,500</u>	<u>70,000</u>

6. Interest payable and similar charges

	2017 £	2016 £
Interest payable on bank borrowing	12,886	13,475
Finance charges	201,710	179,068
Other similar charges payable	25,146	40,658
	<u>239,742</u>	<u>233,201</u>

Manco South Limited**Notes to the financial statements****Year ended 30 April 2017**

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

	2017 £	2016 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19.92% (2016 – 20%)	650,367	980,667
Over provision in prior year	(609,724)	(21,842)
Total current tax	40,643	958,825
Deferred tax:		
Origination and reversal of timing differences	18,291	(160,425)
Tax on profit on ordinary activities	58,934	798,400

(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 19.92% (2016 – 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	3,229,504	2,936,571
Profit on ordinary activities multiplied by rate of tax	643,230	587,314
Expenses not deductible for tax purposes	152,287	480,979
Excess depreciation over capital allowances	896	(177)
Unrelieved tax losses	-	1,611
Adjustments to tax charge in respect of previous periods	(501,772)	(21,842)
Adjust opening deferred tax to average rate of 19.92%	(12,821)	(10,867)
Adjust closing deferred tax to average rate of 19.92%	36,046	(160,425)
Additional deduction for R&D expenditure	(258,932)	(78,193)
Total current tax (note 7(a))	58,934	798,400

8. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £1,964,895 (2016 - £536,000).

Manco South Limited

Notes to the financial statements

Year ended 30 April 2017

9. Intangible fixed assets

Group	Goodwill £
Cost	
At 30 April 2017 and 1 May 2016	<u>3,778,149</u>
Amortisation	
At 1 May 2016	1,722,109
Charge for the year	690,060
At 30 April 2017	<u>2,412,169</u>
Net book value	
At 30 April 2017	<u>1,365,980</u>
At 30 April 2016	<u>2,056,040</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.

10. Tangible fixed assets

Group	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost					
At 1 May 2016	13,793,770	66,977	426,118	455,249	14,742,114
Additions	5,419,440	3,822	181,313	87,134	5,691,709
Disposals	(3,815,618)	-	(124,770)	(1,271)	(3,941,659)
At 30 April 2017	<u>15,397,592</u>	<u>70,799</u>	<u>482,661</u>	<u>541,112</u>	<u>16,492,164</u>
Depreciation					
At 1 May 2016	5,677,835	64,114	237,155	207,519	6,186,623
Charge for the year	2,982,985	1,921	95,832	97,486	3,178,224
On disposals	(2,249,728)	-	(90,439)	(519)	(2,340,686)
At 30 April 2017	<u>6,411,092</u>	<u>66,035</u>	<u>242,548</u>	<u>304,486</u>	<u>7,024,161</u>
Net book value					
At 30 April 2017	<u>8,986,500</u>	<u>4,764</u>	<u>240,113</u>	<u>236,626</u>	<u>9,468,003</u>
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>

Hire purchase agreements

Included within the net book value of £9,468,002 is £5,429,865 (2016 - £8,555,491 is £5,973,392) 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 £1,841,903 (2016 - £1,913,603).

Manco South Limited**Notes to the financial statements****Year ended 30 April 2017****11. Investments**

Company	Group companies £
Net book value At 30 April 2017 and 30 April 2017	<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 reporting 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 2017

12. Debtors

	2017 £	Group 2016 £	2017 £	Company 2016 £
Trade debtors	3,773,905	2,935,033	-	-
Amounts owed by group undertakings	-	-	-	1
Amounts owed by related companies	473,198	-	-	-
VAT recoverable	2,649,890	1,882,495	-	-
Amounts recoverable on long term contracts	14,288,872	9,852,830	-	-
Deferred taxation (Note 13)	210,015	228,306	-	-
Prepayments and accrued income	821,635	1,617,966	1	-
	<u>22,217,515</u>	<u>16,516,630</u>	<u>1</u>	<u>1</u>

Trade debtors, amounts owed by related undertakings, amounts recoverable on long term contracts and prepayments included above are carried at amortised cost.

13. Deferred taxation

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

	Group		Company	
	£	£	£	£
Asset brought forward	228,306	67,881	-	-
(Decrease)/increase in asset	(18,291)	160,425	-	-
Asset carried forward	<u>210,015</u>	<u>228,306</u>	<u>-</u>	<u>-</u>

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

Group	2017		2016	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of depreciation over taxation allowances	<u>210,015</u>	<u>-</u>	<u>228,306</u>	<u>-</u>

14. Creditors: amounts falling due within one year

	2017 £	Group 2016 £	2017 £	Company 2016 £
Bank loans	41,663	167,128	-	-
Trade creditors	13,565,836	9,549,904	-	-
Hire purchase agreements	2,688,530	2,271,040	-	-
Amounts owed to group undertakings	-	-	-	1,964,479
Corporation tax	110,806	828,283	-	-
Other taxation and social security	175,237	134,171	-	-
Payments on account	5,192,823	4,788,692	-	-
Other creditors	1,156,933	3,111,307	-	-
Accruals and deferred income	2,501,034	4,068,158	-	-
	<u>25,432,862</u>	<u>24,918,683</u>	<u>-</u>	<u>1,964,479</u>

Bank Loans, trade creditors, amounts owed to related undertakings, other creditors, payments on account and accruals included above are carried at amortised cost.

Manco South Limited

Notes to the financial statements

Year ended 30 April 2017

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

	2017 £	Group 2016 £	2017 £	Company 2016 £
Bank loans	-	41,203	-	-
Hire purchase agreements	2,741,333	2,591,806	-	-
Provisions	2,190,000	1,306,613	-	-
	<u>4,931,333</u>	<u>3,939,622</u>	<u>-</u>	<u>-</u>

16. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2017 £	Group 2016 £	2017 £	Company 2016 £
Amounts payable within 1 year	2,688,530	2,271,040	-	-
Amounts payable between 2 to 5 years	2,741,333	2,591,806	-	-
	<u>5,429,863</u>	<u>4,862,846</u>	<u>-</u>	<u>-</u>

The hire purchase agreements are secured on the assets to which they relate.

17. Commitments under operating leases

At 30 April 2017 the group had total commitments under non-cancellable operating leases as set out below.

Group	2017		2016	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	215,000	-	-	-
Within 2 to 5 years	-	100,000	100,000	150,000
	<u>215,000</u>	<u>100,000</u>	<u>100,000</u>	<u>150,000</u>

Manco South Limited

Notes to the financial statements

Year ended 30 April 2017

18. 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 of the ultimate controlling party, Manco South Limited, being available from the company's registered office.

	Amounts owed to £	Amounts owed from £	Purchases £	Sales £
2017				
Hickey Retirement Benefit Scheme	-	-	306,068	-
Boss Service Plant Hire Limited	473,198	-	176,744	334,582
	<u>473,198</u>	<u>-</u>	<u>482,812</u>	<u>334,582</u>
2016				
Boss Service Plant Hire Limited	40,696	-	642,570	37,760
Hickey Retirement Benefit Scheme	-	5,000	50,000	-
	<u>40,696</u>	<u>5,000</u>	<u>692,570</u>	<u>37,760</u>

Boss service Plant Hire Limited is a related party as the shareholders of the company are M A Hickey and J G Hickey, who are the directors of Manco South Limited.

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

As at 30 April 2017 the group owed Mr M A Hickey, a director of the company, £666,688 (2016:nil) and was owed £562,079 (2016:nil) by the children of Mr M A Hickey. These balances have been included in note 12 and 14 respectively

Manco South Limited**Notes to the financial statements****Year ended 30 April 2017****19. Share capital**

Allotted and called up:

	2017 No	£	2016 No	£
Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>

20. 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.

21. Notes to the cash flow statement**Reconciliation of operating profit to net cash inflow from operating activities**

	2017 £	2016 £
Operating profit	3,437,190	3,057,269
Amortisation	690,060	690,059
Depreciation	3,178,224	2,821,367
Profit on disposal of fixed assets	(84,273)	(83,605)
(Increase)/decrease in debtors	(5,700,885)	3,033,640
Increase in creditors	1,790,502	1,865,266
Net cash inflow from operating activities	<u>3,310,818</u>	<u>11,383,996</u>

Returns on investments and servicing of finance

	2017 £	2016 £
Interest received	32,057	115,503
Interest paid	(38,032)	(57,133)
Interest element of hire purchase	(201,710)	(179,068)
Net cash outflow from returns on investments and servicing of finance	<u>(207,685)</u>	<u>(120,698)</u>

Manco South Limited**Notes to the financial statements****Year ended 30 April 2017**

21 Notes to the cash flow statement (continued)**Taxation**

	2017 £	2016 £
Taxation	<u>(743,895)</u>	<u>(364,523)</u>

Capital expenditure and financial investment

	2017 £	2016 £
Payments to acquire tangible fixed assets	(5,691,709)	(1,770,780)
Receipts from sale of fixed assets	<u>1,685,246</u>	<u>926,185</u>
Net cash outflow for capital expenditure and financial investment	<u>(4,006,463)</u>	<u>(844,595)</u>

Financing

	2017 £	2016 £
Repayment of bank loan	(166,668)	(166,668)
Purchase of own equity shares	-	(8,000,000)
Capital element of hire purchase	<u>567,017</u>	<u>(1,489,854)</u>
Net cash inflow from financing	<u>400,349</u>	<u>(9,656,522)</u>

22. 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.