

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
ANNUAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2016



BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
COMPANY INFORMATION

Directors

J C A Burnett of Leys
J C Irvine
A J Clow ACMA

Company number

SC058713

Registered office

Banchory Business Centre
Burn O' Bennie Road
BANCHORY
AB31 5ZU

Auditors

Johnston Carmichael LLP
Bishop's Court
29 Albyn Place
ABERDEEN
AB10 1YL

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 19

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
STRATEGIC REPORT
FOR THE PERIOD ENDED 31 MARCH 2016

The directors present the strategic report and financial statements for the period ended 31 March 2016. During the period the company was part of the Bancon Developments Holdings group ("the group"). The company extended its accounting financial year end from November to March, in order to align itself with the rest of the group. As such, these financial statements represent a sixteen month financial period.

Review of the business

The principal activities of the company during the financial period were building, contracting, developing and managing of property.

During the period the company changed its name from Bancon Developments Limited to Bancon Group Limited.

As a result of unsatisfactory trading the company took the decision to cease trading in one of its subsidiaries during the period (Screedflo Aberdeen Limited).

The results for the company show a profit on ordinary activities before taxation and exceptional costs of £516,193 (2014: loss £1,615,082) for the period. The current period loss includes a gain on the sale of the company's investment in Tornadee Limited joint venture. The directors do not recommend the payment of a dividend (2014: £nil). The company's loss after tax for the financial period is £584,197 (2014: loss £1,570,191). The loss will be transferred to reserves.

Principal risks and uncertainties

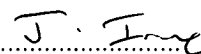
The management of the business and the execution of the company's strategy are subject to a number of risks.

Key business risks and uncertainties affecting the company are considered to relate to the planning process, housing market confidence and the availability of funds to house purchasers. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided on pages 1 and 2 of the group's annual report which does not form part of this report. The details of the group are included in note 22 of these financial statements.

Key performance indicators

The directors of Bancon Group Limited and Bancon Developments Holdings Limited manage operations on a group basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Bancon Group Limited. The development, performance and position of the group is discussed on pages 1 and 2 of the group's annual report which does not form part of this report.

On behalf of the Board


.....
J C Irvine CA
Director
10/08/2016

**BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2016**

The directors present their report and financial statements for the period ended 31 March 2016.

Results and dividends

The results for the period are set out on page 6. The directors do not recommend payment of a dividend (2014 - £nil).

Future developments

Throughout the second half of 2015 and 2016 general trading conditions were challenging as a result of the significant drop in oil price and its impact on the North East of Scotland economy. The directors do not anticipate any short term improvement in trading conditions. As a result the company has undertaken a strategic review of its core businesses and assets resulting in the closure of Screedflo (Aberdeen) Limited, the divestment of its share in the Tornadee JV and the impairment of several long term land interests. The directors are confident that as a result of this strategic review and, with the benefit of a new 3 year group wide banking facility, it is well placed to maximise the value of its considerable land assets and deliver its growth aspirations.

Directors

The following directors have held office since 1 December 2014 unless otherwise stated:

J C A Burnett of Leys	
J C Irvine CA	(Appointed 2 February 2015)
A J Clow ACMA	(Appointed 23 November 2015)
P J Hogg	(Appointed 1 February 2016 and resigned 19 May 2016)
M Paterson	(Resigned 30 October 2015)
G B Reid	(Resigned 12 November 2015)
H McNab	(Resigned 1 March 2016)

Financial risk management

The company's activities expose it mainly to liquidity and credit risks.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future operations, the company has access to bank funding facilities which are agreed on a group wide basis. These debt facilities would typically be linked to the bank base rate which will present no significant interest rate risk to the business.

Credit risk

The company operates procedures that ensure appropriate credit checks on potential customers are carried out before contracts are concluded. During the course of the projects, credit control procedures are in place to minimise any credit risk to the business.

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2016

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

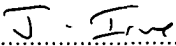
Auditor

During the period Pricewaterhouse Coopers LLP resigned as auditor and Johnston Carmichael LLP were appointed. Johnston Carmichael LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board


.....
J C Irvine CA
Director
10/08/2016

**BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BANCON GROUP LIMITED**

We have audited the financial statements of Bancon Group Limited for the period ended 31 March 2016 set out on pages 6 to 19. 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

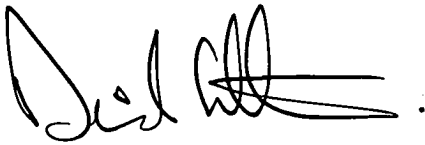
In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF BANCON GROUP LIMITED**

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



David Wilson (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

10/08/2016

**Chartered Accountants
Statutory Auditor**

Bishop's Court
29 Albyn Place
ABERDEEN
AB10 1YL

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2016

		16 month period ended 31 March 2016 £	Year ended 30 November 2014 £
	Notes		
Turnover	2	-	498,700
Cost of sales		(12,512)	(24,890)
Gross (loss)/profit		(12,512)	473,810
Administrative expenses		(128,201)	(2,077,463)
Operating loss before exceptional items	3	(140,713)	(1,603,653)
Profit on sale of tangible fixed assets	9	652,930	-
Operating (loss)/profit before other exceptional items		512,217	(1,603,653)
Exceptional costs	7	(1,040,879)	-
Loss on ordinary activities before interest		(528,662)	(1,603,653)
Investment income	4	-	21,570
Other interest receivable and similar income	4	8,272	32
Interest payable and similar charges	5	(4,296)	(33,031)
Loss on ordinary activities before taxation		(524,686)	(1,615,082)
Tax on loss on ordinary activities	6	(59,511)	44,891
Loss for the period	17	(584,197)	(1,570,191)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

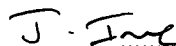
There are no recognised gains and losses other than those passing through the profit and loss account and as such, no statement of total recognised gains and losses is presented.

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	£	2014 £	£
Fixed assets					
Tangible assets	8	151,731		22,757	
Investments	9	1,437,562		451	
		<u>1,589,293</u>		<u>23,208</u>	
Current assets					
Stocks	10	8,397,786	5,389,427		
Debtors	11	10,028,568	10,884,678		
Cash at bank and in hand		969,731	128		
		<u>19,396,085</u>	<u>16,274,233</u>		
Creditors: amounts falling due within one year	12	<u>(14,574,011)</u>	<u>(8,520,182)</u>		
Net current assets		<u>4,822,074</u>		<u>7,754,051</u>	
Total assets less current liabilities		<u>6,411,367</u>		<u>7,777,259</u>	
Creditors: amounts falling due after more than one year	13	<u>(225,000)</u>	<u>(1,006,695)</u>		
		<u>6,186,367</u>	<u>6,770,564</u>		
Capital and reserves					
Called up share capital	16	665	665		
Profit and loss account	17	6,185,702	6,769,899		
Shareholders' funds	18	<u>6,186,367</u>	<u>6,770,564</u>		

Approved by the Board and authorised for issue on 10/08/2016 and signed on its behalf by:


 J C Irvine CA
 Director


 A J Clow ACMA
 Director

Company Registration No. SC058713

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover is recognised at legal completion in respect of the total proceeds of building and development. An appropriate proportion of revenue from construction contracts is recognised by reference to the stage of completion of contract activity and value of work done. Turnover is measured at the fair value of consideration received or receivable and represent the amounts receivable for the property, net of discounts and VAT.

An estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The costs on contracts not yet taken from profit and loss account less related foreseeable losses and payments on account are shown in stocks as work in progress.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Tenants improvements	10 years
Plant and machinery	7 years
Fixtures, fittings & equipment	7 years

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock and work in progress

Stock and work in progress, including land is stated at the lower of cost and net realisable value. Cost comprises raw materials, consumables and direct labour plus attributable overheads based on a normal level of activity. Net realisable value is based on estimated selling price less anticipated costs to completion and disposal. Provision is made for all foreseeable losses.

1.8 Land options

Land options are included within work in progress at cost. If, or when, it becomes apparent that an option on land relating to a potential development site will not receive the necessary approvals the option will be charged in full to profit and loss.

1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.10 Taxation

The current tax charge is based on the taxable profit for the year. Taxable profits differ from the profit reported in the profit and loss account due to timing differences and other items that require adjustment as set out in legislation. The company's liability for tax is calculated using rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided, using the full liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The deferred tax position is calculated using the rates enacted or substantively enacted at the balance sheet date. Tax losses are surrendered or claimed in the form of group relief with consideration being received or paid accordingly. The group relief amount is recorded separately within the debtors and creditors amounts in the balance sheet, as applicable, and is calculated by applying the tax rate enacted or substantively enacted at the balance sheet date to the loss amount.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

1.11 Group accounts

The financial statements contain information about Bancon Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Bancon Developments Holdings Limited, a company registered in Scotland.

1.12 Cash flow statement

The company is a wholly owned subsidiary of Bancon Developments Holdings Limited and the cash flows of the company are included in the consolidated group cash flow statement of Bancon Developments Holdings Limited. Consequently, the company is exempt under the terms of Financial Reporting Standard 1 (Revised 1996) "Cash flow statements" from publishing a cash flow statement.

2 Turnover

The directors believe that the company has one class of business, which is developing commercial and private residential property. Turnover consists of revenue originated and delivered in the United Kingdom.

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2016

3	Operating loss	16 month period ended 31 March 2016 £	Year ended 30 November 2014 £
	Operating loss is stated after charging:		
	Depreciation of tangible assets	16,406	7,091
	Operating lease rentals		
	- Plant and machinery	3,002	34,142
		<u> </u>	<u> </u>
	Auditors' remuneration		
	Fees payable to the company's auditor for the audit of the company's annual accounts	5,000	22,840
	Non-audit services	2,500	15,035
		<u> </u>	<u> </u>
		7,500	37,875
		<u> </u>	<u> </u>
4	Investment income, other interest receivable and similar income	16 month period ended 31 March 2016 £	Year ended 30 November 2014 £
	On amounts receivable from group companies	-	21,570
	Bank interest	8,272	-
	Other interest	-	32
		<u> </u>	<u> </u>
		8,272	21,602
		<u> </u>	<u> </u>
5	Interest payable and similar charges	16 month period ended 31 March 2016 £	Year ended 30 November 2014 £
	On amounts payable to group companies	-	13,800
	On bank loans and overdrafts	4,296	19,231
		<u> </u>	<u> </u>
		4,296	33,031
		<u> </u>	<u> </u>

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2016

6	Taxation	16 month period ended 31 March 2016 £	Year ended 30 November 2014 £
	Domestic current year tax		
	Adjustment for prior years	-	(29,363)
	Total current tax	-	(29,363)
	Deferred tax		
	Origination and reversal of timing differences	54,845	(4,904)
	Effects of changes in tax rates and laws	6,094	376
	Deferred tax adjustments arising in previous periods	(1,428)	(11,000)
		59,511	(15,528)
		59,511	(44,891)
	Factors affecting the tax charge for the period		
	Loss on ordinary activities before taxation	(524,686)	(1,615,082)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.25% (2014 - 21.66%)	(106,249)	(349,875)
	Effects of:		
	Non deductible expenses	71,424	2,262
	Capital allowances less than depreciation and other timing differences	1,467	(138)
	Losses carried back	3,339	-
	Unrelieved tax losses	172,263	-
	Adjustments to previous periods	-	(29,363)
	Other short term timing differences	(11,837)	5,042
	Group relief surrendered	-	342,709
	Income not taxable for tax purposes	(130,407)	-
		106,249	320,512
	Current tax charge for the period	-	(29,363)
7	Exceptional costs		

Exceptional costs relate to land options and fees for potential developments which have not received the necessary approvals and the impairment of an investment.

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2016

8 Tangible fixed assets

	Tenants improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 December 2014	-	144,389	42,193	186,582
Additions	145,088	292	-	145,380
	<u>145,088</u>	<u>144,681</u>	<u>42,193</u>	<u>331,962</u>
At 31 March 2016	145,088	144,681	42,193	331,962
Depreciation				
At 1 December 2014	-	121,805	42,020	163,825
Charge for the period	8,504	7,816	86	16,406
	<u>8,504</u>	<u>129,621</u>	<u>42,106</u>	<u>180,231</u>
At 31 March 2016	8,504	129,621	42,106	180,231
Net book value				
At 31 March 2016	136,584	15,060	87	151,731
	<u>136,584</u>	<u>15,060</u>	<u>87</u>	<u>151,731</u>
At 30 November 2014	-	22,584	173	22,757
	<u>-</u>	<u>22,584</u>	<u>173</u>	<u>22,757</u>

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2016

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 December 2014	451
Additions	1,772,162
Disposals	(50)
At 31 March 2016	<u>1,772,563</u>
Provisions for diminution in value	
At 1 December 2014	-
Charge for the period	335,001
At 31 March 2016	<u>335,001</u>
Net book value	
At 31 March 2016	<u>1,437,562</u>
At 30 November 2014	<u>451</u>

During the period the company acquired the entire share capital of Deeside Timberframe Limited from a subsidiary and disposed of its 50% holding in the Tornadee Limited joint venture.

Holdings

The company holds the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Bancon Construction Limited	Scotland	200 ordinary 50p shares	100.00
Bancon Homes Limited	Scotland	100 Ordinary £1 shares	100.00
Bancon Homes (Deeside) Limited	Scotland	100 Ordinary £1 shares	100.00
Bancon Homes (Donside) Limited	Scotland	100 Ordinary £1 shares	100.00
Screedflo (Aberdeen) Limited	Scotland	1 Ordinary £1 share	100.00
Deeside Timberframe Limited	Scotland	1 Ordinary £1 Share	100.00

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2016

9 Fixed asset investments

(Continued)

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves	Profit/(loss) for the 16 month period
	Principal activity	2016	2016
		£	£
Bancon Construction Limited	Building and contracting	2,143,004	(2,504,513)
Bancon Homes Limited	House builders	3,207,438	(289,350)
Bancon Homes (Deeside) Limited	House builders	2,087,503	2,737
Bancon Homes (Donside) Limited	House Builders	2,089,381	991,586
Screedflo (Aberdeen) Limited	Installers of concrete screed floorings	65,578	(47,342)
Deeside Timberframe Limited	Manufacture and supply of timberframe structures	1,417,875	473,230
		<u> </u>	<u> </u>

10 Stocks and work in progress

	2016	2014
	£	£
Work in progress	8,397,786	5,389,427
	<u> </u>	<u> </u>

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2016

11 Debtors	2016	2014
	£	£
Trade debtors	53,794	4,160
Amounts owed by parent and fellow subsidiary undertakings	1,237,865	-
Amounts owed by subsidiary undertakings	8,406,654	6,986,910
Amounts owed by participating interests	57,000	3,210,695
Other debtors	273,255	228,012
Prepayments and accrued income	-	395,390
Deferred tax asset (see note 14)	-	59,511
	<u>10,028,568</u>	<u>10,884,678</u>

Amounts falling due after more than one year and included in the debtors above are:

	2016	2014
	£	£
Amounts owed by participating interests/joint venture undertakings	57,000	2,504,000
Amounts owed by related parties	-	706,695
	<u>57,000</u>	<u>3,210,695</u>

Amounts owed by parent, subsidiary undertakings and joint venture undertakings have no fixed repayment terms and do not bear interest.

12 Creditors: amounts falling due within one year	2016	2014
	£	£
Bank loans and overdrafts	-	82,434
Trade creditors	89,004	32,895
Amounts owed to parent and fellow subsidiary undertakings	91,872	-
Amounts owed to subsidiary undertakings	12,574,550	7,670,120
Taxes and social security costs	56,483	10,725
Other creditors	90,181	216,668
Accruals and deferred income	1,671,921	507,340
	<u>14,574,011</u>	<u>8,520,182</u>

The overdraft was secured by floating charges over the assets of the company and cross guaranteed against the assets of all Bancon group companies.

13 Creditors: amounts falling due after more than one year	2016	2014
	£	£
Other provision	<u>225,000</u>	<u>1,006,695</u>

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2016

14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 December 2014	(59,511)
Profit and loss account	59,511
	<u> </u>
Balance at 31 March 2016	<u> </u>

Deferred tax is provided as follows:

	2016 £	2014 £
Accelerated/(decelerated) capital allowances	-	(2,492)
Tax losses available	-	(57,019)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	-	(59,511)
	<u> </u>	<u> </u>

15 Retirement Benefits

Defined contribution scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2016 £	2014 £
Contributions payable by the company for the period	538	121,339
Contributions payable to the fund at the period end and included in creditors	(27,503)	(4,964)
	<u> </u>	<u> </u>

16 Share capital

	2016 £	2014 £
Allotted, called up and fully paid		
665 "A" ordinary shares of £1 each	665	665
	<u> </u>	<u> </u>

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2016

17 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 December 2014	6,769,899
Loss for the period	(584,197)
	<u>6,185,702</u>
Balance at 31 March 2016	<u>6,185,702</u>

18 Reconciliation of movements in Shareholders' funds

	2016 £	2014 £
Loss for the financial period	(584,197)	(1,570,191)
Opening Shareholders' funds	6,770,564	8,340,755
	<u>6,186,367</u>	<u>6,770,564</u>
Closing Shareholders' funds	<u>6,186,367</u>	<u>6,770,564</u>

19 Financial commitments

At 31 March 2016 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2017:

	Other 2016 £	2014 £
Operating leases which expire:		
Within one year	-	3,026
Between two and five years	13,496	24,772
	<u>13,496</u>	<u>27,798</u>
	<u>13,496</u>	<u>27,798</u>

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2016

20 Directors' remuneration	16 month period ended 31 March 2016 £	Year ended 30 November 2014 £
Remuneration for qualifying services	-	596,834
Company pension contributions to defined contribution schemes	-	73,126
Compensation for loss of office	-	556,659
	-	1,226,619

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 0 (2014 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	-	197,833
Long term incentive schemes	-	556,659
Company pension contributions to defined contribution schemes	-	19,686

During the period the company undertook major restructuring of its management team and the companies from which the directors' remuneration is paid. As such, the company no longer pays the directors for their services and instead they are remunerated through other group companies.

BANCON GROUP LIMITED
(FORMERLY BANCON DEVELOPMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2016

21 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2016 Number	2014 Number
Directors and management	4	12
	16 month period ended 31 March 2016 £	Year ended 30 November 2014 £
Employment costs		
Wages and salaries	19,480	1,487,551
Social security costs	2,532	190,406
Other pension costs	538	121,339
	<u>22,550</u>	<u>1,799,296</u>

22 Control

The immediate ultimate parent undertaking and controlling party is Bancon Developments Holdings Limited, a company incorporated in Scotland.

Bancon Developments Holdings Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 March 2016. The consolidated financial statements of Bancon Developments Holdings Limited are available from UK Companies House.

23 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related Party Disclosures" whereby it has not disclosed transactions with the ultimate parent company or any other wholly owned subsidiary undertaking within Bancon Developments Holdings Limited group.

There were no other material related party transactions requiring disclosure under Financial Reporting Standard 8 "Related Party Disclosures".