

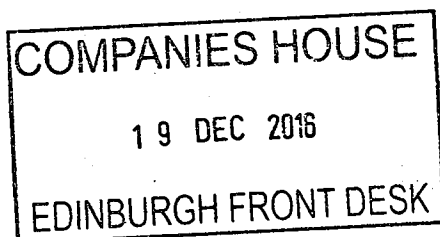


Scott-Moncrieff
business advisers and accountants

GHI CONTRACTS LIMITED

Company registration number SC152713

**DIRECTORS' REPORT AND ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**



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GHI CONTRACTS LIMITED

COMPANY INFORMATION

Directors	G Holmes G Cairns S Hunter C Sibbald G Mochan (Non Executive)
Company secretary	S Hunter
Registered number	SC152713
Registered office	Belgrave Court Rosehall Road Bellshill ML4 3NR
Independent auditor	Scott-Moncrieff Chartered Accountants Glasgow G2 6NL
Bankers	Royal Bank of Scotland 253 Main Street Bellshill ML4 1AN
Solicitors	Maclay Murray & Spens 21 George Square Glasgow G2 1AL

GHI CONTRACTS LIMITED

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GHI CONTRACTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2016

Introduction

The directors present their strategic report and the abbreviated financial statements of the company for the year ended 31 August 2016.

Review of business and future developments

The principal activity of the company is that of commercial interior refurbishment and fit-out.

The general economic recovery has continued with cautious optimism returning to our sector. We have taken advantage of this, managing to increase turnover to £30m (2015: £20m).

Principal risks and uncertainties

We expect the coming year to present stable trading conditions in terms of opportunities and turnover, however we expect continued pressure on margin to persist. The directors believe that our current secured workload, corporate client base and robust operating procedures will ensure the business remains profitable in 2017. Our business plan is to achieve additional market share in our core sectors and secure further medium term contracts to those already in place.

Financial key performance indicators

The board of directors meet monthly to review the detailed monthly management accounts, develop our future strategies and review performance against key performance indicators.

Future developments

The company will continue to seek business outside its current client base, whilst continuing to maintain the high standards that our existing clients have come to expect.

Disabled employees

The company recognises its obligations towards disabled persons and endeavours to provide as many employment, training and career opportunities as the demands of the company's operations and the abilities of the disabled persons allow.

Results and dividends

The profit for the year, after taxation, amounted to £640,467 (2015 - £386,549).

Dividends of £900,000 were paid during the year (2015: £nil).

This report was approved by the board on 16 December 2016 and signed on its behalf.



G Cairns
Director

GHI CONTRACTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

The directors present their report for the year ended 31 August 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Directors

The directors who served during the year were and up to the date these financial statements were signed were:

G Holmes
G Cairns
S Hunter
C Sibbald
G Mochan (Non Executive)

GHI CONTRACTS LIMITED

**DIRECTORS' REPORT (Cont'd)
FOR THE YEAR ENDED 31 AUGUST 2016**

Disclosure of information to the auditor

To the knowledge and belief of each persons who are directors at the time the report is approved

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

The directors have considered the trading outlook for the company, having taken account of possible changes in trading performance, and have determined that the company will be able to operate within its existing cash resources and cash flow from future trading activities. The directors, therefore, have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future.

Post balance sheet events

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

Auditor

The auditor, Scott-Moncrieff, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16 December 2016 and signed on its behalf.



G Cairns
Director

GHI CONTRACTS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GHI CONTRACTS LIMITED**

We have examined the abbreviated accounts which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, together with the financial statements of GH Contracts Limited for the year ended 31 August 2016 prepared under section 396 of the Companies Act 2006.

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 work has been undertaken so that we might state to the company's members those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

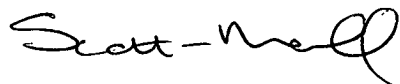
Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin, we carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445 (3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Bernadette Higgins (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

Date: 16 December 2016

GHI CONTRACTS LIMITED

**ABBREVIATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
Turnover	5	<u>30,106,689</u>	<u>19,802,664</u>
Gross profit and other operating income		2,851,045	2,151,346
Administrative expenses		(2,048,971)	(1,642,220)
Operating profit	6	802,074	509,126
Interest receivable and similar income	9	7,421	3,250
Interest payable and expenses	10	(3,772)	(2,800)
Profit before tax		805,723	509,576
Tax on profit	11	(165,256)	(123,027)
Profit for the year		<u>640,467</u>	<u>386,549</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>640,467</u>	<u>386,549</u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The results for the current and prior year have been derived wholly from continuing operations.

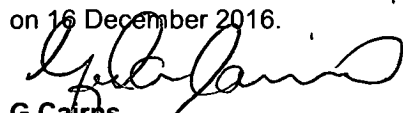
The notes on pages 9 - 24 form part of these financial statements.

GHI CONTRACTS LIMITED

**BALANCE SHEET
AS AT 31 AUGUST 2016**

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	13		112,787		73,377
			<u>112,787</u>		<u>73,377</u>
Current assets					
Stocks	14	1,038,607		662,120	
Debtors: amounts falling due within one year	15	4,223,482		4,677,751	
Cash and cash equivalents	16	3,106,340		1,690,531	
		<u>8,368,429</u>		<u>7,030,402</u>	
Creditors: amounts falling due within one year	17	(6,971,389)		(6,216,087)	
Net current assets			1,397,040		814,315
Total assets less current liabilities			<u>1,509,827</u>		<u>887,692</u>
Creditors: amounts falling due after more than one year	18		(54,700)		(23,032)
Net assets			<u>1,455,127</u>		<u>864,660</u>
Capital and reserves					
Called up share capital	20		850,002		2
Profit and loss account	21		605,125		864,658
			<u>1,455,127</u>		<u>864,660</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 December 2016.



G Cairns
Director

The notes on pages 9 - 24 form part of these financial statements.

GHI CONTRACTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2015	2	864,658	864,660
Comprehensive income for the year			
Profit for the year	-	640,467	640,467
Total comprehensive income for the year	-	640,467	640,467
Dividends: Equity capital	-	(900,000)	(900,000)
Shares issued during the year	850,000	-	850,000
At 31 August 2016	<u>850,002</u>	<u>605,125</u>	<u>1,455,127</u>

The notes on pages 9 - 24 form part of these financial statements.

GHI CONTRACTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2014	2	590,609	590,611
Comprehensive income for the year			
Profit for the year	-	386,549	386,549
Total comprehensive income for the year	-	386,549	386,549
Purchase of own shares	-	(112,500)	(112,500)
At 31 August 2015	<u>2</u>	<u>864,658</u>	<u>864,660</u>

The notes on pages 9 - 24 form part of these financial statements.

GHI CONTRACTS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 August 2016.

The continuing activity of GHI Contracts Limited is that of commercial interior refurbishment and fit-out.

GHI Contracts Limited is a private company limited by shares incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company registration number is SC152713.

2. Statement of compliance

The financial statements of GHI Contracts Limited have been prepared in compliance with United Kingdom Accounting Standards, including the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) (FRS 102) and the Companies Act 2006. The company's date of transition to FRS 102 is 1 September 2014.

3. Accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

Before 2014 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102 as issued by the Financial Reporting Council and referred to below as 'previous UK GAAP'. Information on the impact of first-time adoption of FRS 102 is given in note 27.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 4).

The following principal accounting policies have been applied:

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. Accounting policies (continued)

3.2 Financial reporting standard 102 - reduced disclosure exemptions

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 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.47, 11.48(a)(iii), 11.458(A)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of GHI Contracts Holdings Limited as at 31 August 2016 and these financial statements may be obtained from Belgrave Court, Rosehall Road, Bellshill, ML4 3NR.

3.3 Going concern

The company has sufficient cash reserves and net assets to ensure it can remain in operational existence for a period of 12 months from the date on which these accounts have been signed. As a consequence, it is deemed appropriate to have these financial statements prepared on a going concern basis.

3.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue 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 revenue 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.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. Accounting policies (continued)

3.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

3.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3.7 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

3.8 Leased assets: the company as lessee

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

3.9 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

3.10 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. Accounting policies (continued)

3.11 Taxation

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 balance sheet 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 Balance Sheet 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 balance sheet date.

3.12 Tangible 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	- 25%	reducing balance
Fixtures and fittings	- 25%	reducing balance
Computer equipment	- 25%	reducing balance

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.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. Accounting policies (continued)

3.13 Stocks

Stocks and work in progress is valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving stock.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Long-term contract balances are stated at net costs less foreseeable losses less applicable payments on account. The amount recorded as turnover in respect of long-term contracts is ascertained by reference to the value of the work carried out to date. Attributable profit is recognised as the difference between recorded turnover and related costs.

3.14 Debtors

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

3.15 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.

3.16 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 debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Statement of Comprehensive Income.

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.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. Accounting policies (continued)

3.16 Financial instruments (continued)

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 amounts recoverable, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cashflows from the asset expire, or when the company has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has extinguished through discharge, cancellation or expiry.

3.17 Creditors

Short term creditors are measured at the transaction price.

3.18 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

3.19 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

4. Judgements in applying accounting policies and key sources of estimation uncertainty

In 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 judgement 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.

The directors are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied to the depreciation rates which have been deemed appropriate for the class of asset and the valuation of work in progress based on surveyors' valuations of work performed at the end of each accounting period.

GHI CONTRACTS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. Turnover

An analysis of turnover by class of business is as follows:

	2016	2015
	£	£
Refurbishment work sales	30,106,689	19,802,664
	<u>30,106,689</u>	<u>19,802,664</u>

All turnover arose within the United Kingdom.

6. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	37,433	23,815
Defined contribution pension cost	42,957	33,240
Auditor's remuneration	6,000	6,000
Auditor's remuneration - fees for non audit services	17,091	20,946

GHI CONTRACTS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016	2015
	£	£
Wages and salaries	2,438,123	1,897,759
Social security costs	266,922	200,527
Cost of defined contribution scheme	42,957	33,240
	<u>2,748,002</u>	<u>2,131,526</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016	2015
	No.	No.
Administration staff	28	23
Direct labour	37	34
	<u>65</u>	<u>57</u>

8. Directors' remuneration

	2016	2015
	£	£
Directors' emoluments	383,371	291,511
Company contributions to defined contribution pension schemes	10,052	9,528
	<u>393,423</u>	<u>301,039</u>

During the year retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £191,636 (2015 - £137,016).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,082 (2015 - £3,881).

Fees of £4,500 (2015: £4,200) were paid to non-executive director in the year.

The directors of the company are regarded as the key management personnel.

GHI CONTRACTS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. Interest receivable

	2016	2015
	£	£
Other interest receivable	7,421	3,250
	<u>7,421</u>	<u>3,250</u>

10. Interest payable and similar charges

	2016	2015
	£	£
Finance leases and hire purchase contracts	3,772	2,800
	<u>3,772</u>	<u>2,800</u>

Payments made under operating leases are in respect of the hire of plant and machinery

11. Taxation

	2016	2015
	£	£
Corporation tax		
Current tax on profits for the year	165,256	116,308
	<u>165,256</u>	<u>116,308</u>
	<u>165,256</u>	<u>116,308</u>
Total current tax	<u>165,256</u>	<u>116,308</u>
Deferred tax		
Origination and reversal of timing differences	-	6,719
	<u>-</u>	<u>6,719</u>
Total deferred tax	<u>-</u>	<u>6,719</u>
	<u>165,256</u>	<u>123,027</u>
Taxation on profit on ordinary activities	<u>165,256</u>	<u>123,027</u>

GHI CONTRACTS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 20.58%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>805,723</u>	<u>509,576</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.58%)	161,145	104,875
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,599	11,063
Capital allowances for year in excess of depreciation	-	834
Adjust closing deferred tax to average rate of 20.00%	890	-
Deferred tax not recognised	(378)	-
Short term timing difference leading to an increase (decrease) in taxation	-	884
Changes in provisions leading to an increase (decrease) in the tax charge	-	6,719
Marginal relief	-	(1,348)
Total tax charge for the year	<u>165,256</u>	<u>123,027</u>

GHI CONTRACTS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends	2016 £	2015 £
Dividends paid	900,000	-
	<u>900,000</u>	<u>-</u>

13. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2015	88,738	259,660	20,884	369,282
Additions	78,186	-	4,257	82,443
Disposals	(17,700)	-	-	(17,700)
At 31 August 2016	<u>149,224</u>	<u>259,660</u>	<u>25,141</u>	<u>434,025</u>
Depreciation				
At 1 September 2015	46,897	239,122	9,886	295,905
Charge for period	28,364	5,384	3,685	37,433
Disposals	(12,100)	-	-	(12,100)
At 31 August 2016	<u>63,161</u>	<u>244,506</u>	<u>13,571</u>	<u>321,238</u>
Net book value				
At 31 August 2016	<u><u>86,063</u></u>	<u><u>15,154</u></u>	<u><u>11,570</u></u>	<u><u>112,787</u></u>
At 31 August 2015	<u><u>41,841</u></u>	<u><u>20,538</u></u>	<u><u>10,998</u></u>	<u><u>73,377</u></u>

GHI CONTRACTS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

13. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Motor vehicles	86,063	41,841
	<u>86,063</u>	<u>41,841</u>

The depreciation for the year includes £28,364 (2015: £12,662) in respect of assets leased under finance leases or hire purchase contracts.

14. Stocks	2016 £	2015 £
Raw materials	62,500	62,500
Work in progress	976,107	599,620
	<u>1,038,607</u>	<u>662,120</u>

15. Debtors	2016 £	2015 £
Trade debtors	2,423,515	3,203,628
Amounts owed by group undertakings (see note 25)	646,871	483,346
Other debtors	1,138,700	848,553
Prepayments and accrued income	14,396	142,224
	<u>4,223,482</u>	<u>4,677,751</u>

16. Cash and cash equivalents	2016 £	2015 £
Cash at bank and in hand	3,106,340	1,690,531
Less: bank overdrafts	(5,930)	(13,089)
	<u>3,100,410</u>	<u>1,677,442</u>

GHI CONTRACTS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

17. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Bank overdrafts	5,930	13,089
Trade creditors	2,815,154	2,336,716
Corporation tax	165,256	116,308
Taxation and social security	118,866	259,999
Obligations under finance lease and hire purchase contracts	27,914	13,430
Other creditors	1,077,934	765,161
Accruals and deferred income	2,760,335	2,711,384
	<u>6,971,389</u>	<u>6,216,087</u>

Hire purchase creditors hold security over the respective assets financed.

The bank holds a bond and floating charge over the assets and undertakings of the company. There is an unlimited inter-company guarantee between GHI Contracts Limited and GHI Contracts Holdings Limited.

Secured creditors

Secured creditors due within one year total £33,844 (2015: £26,519).

18. Creditors: Amounts falling due after more than one year

	2016	2015
	£	£
Net obligations under finance leases and hire purchase contracts	54,700	23,032
	<u>54,700</u>	<u>23,032</u>

Secured creditors

Secured creditors due after more than one year total £54,700 (2015: £23,032).

GHI CONTRACTS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016	2015
	£	£
Within one year	27,914	13,430
Between 1-2 years	27,088	11,505
Between 2-5 years	27,612	11,527
	<u>82,614</u>	<u>36,462</u>

20. Share capital

Shares classified as equity

Allotted, called up and fully paid

850,001,650 (2015 - 1,650) Ordinary shares of £0.001 each	<u>850,002</u>	<u>2</u>
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Ordinary shares are non-redeemable and have full voting and participation rights.

On 22 February 2016, the company allotted 850,000,000 ordinary shares of £0.001 each and received £850,000 in respect of these shares.

21. Reserves

Profit and loss account

The profit and loss account includes all current and prior year retained profit and losses.

22. Pension commitments

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 and charge represents contributions payable by the company to the fund and amounted to £42,957 (2015: £33,240). At 31 August 2016 contributions amounting to £3,062 (2015: £5,472) were payable to the fund and were included in creditors.

GHI CONTRACTS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

23. Commitments under operating leases

At 31 August 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016	<i>Restated</i>
	£	<i>2015</i>
		£
Buildings		
Not later than 1 year	77,000	77,000
Later than 1 year and not later than 5 years	308,000	308,000
Later than 5 years	327,250	404,250
	<u>712,250</u>	<u><i>789,250</i></u>
	2016	<i>2015</i>
	£	£
Other		
Not later than 1 year	14,660	11,170
Later than 1 year and not later than 5 years	36,882	1,506
Later than 5 years	-	680
	<u>51,542</u>	<u><i>13,356</i></u>

24. Transactions with directors

At the balance sheet date, the company was owed £21,880 from G Cairns (2015: £21,880), £4,720 from S Hunter (2015: £4,720), £4,720 from C Sibbald (2015: £4,720) and the company owed G Holmes £555 (2015: £555). The loans are interest free, with no particular terms of repayment. The maximum balance due from the directors in the year was £30,765 (2015: £30,765).

GHI CONTRACTS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

25. Related party transactions

GHI Developments Limited

GHI Developments Limited, a related undertaking through common directors was formally liquidated on 31 October 2016.

The company previously rented office premises from GHI Developments Limited and the charge for the year was £nil (2015: £60,981), including service charges.

GHI Contracts Holdings Limited

Included within debtors is an amount of £646,871 (2015: £483,346) due by GHI Contract Holdings Limited, the parent company.

GHI Contracts Limited have provided the bank with a charge in respect of certain GHI Contract Holdings Limited debt.

During the year the company rented office premises from GHI Contract Holdings Limited. In the year to 31 August 2016, the rental charge for this period was £83,471 (2015: £20,858) including service charges.

26. Controlling party

The company is wholly owned by GHI Contract Holdings Limited, a company incorporated in the United Kingdom and registered in Scotland under company number SC501120. The address of its registered office is Belgrave Court, Rosehall Road, Bellshill Industrial Estate, Bellshill, ML4 3NR.

The largest and smallest group which the results of this company are consolidated within is that headed by the ultimate parent company GHI Contracts Holdings Limited.

Copies of the consolidated financial statements of GHI Contracts Holdings Limited are available from Companies House, 139 Fountainbridge, Edinburgh, EH3 9FF.

27. First time adoption of FRS 102

The company has adopted Financial Reporting Standard (FRS102) for the year ended 31 August 2016.

The accounting policies applied under the group's previous accounting framework are not materially different to Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and have not impacted on equity or profit or loss.

As prescribed by FRS102 the company now prepares a Statement of Changes in Equity whereas in the financial statements to 31 August 2015, capital and reserves were analysed as part of the notes to the financial statements.

28. Performance Bonds

The company has entered into performance bonds in the normal course of business.