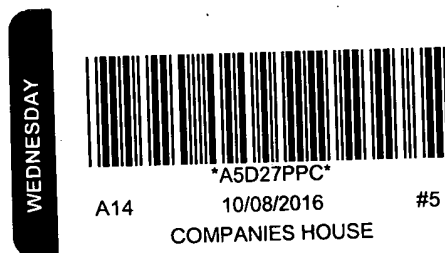


Border Construction (Holdings) Limited
Directors' report and financial statements
for the year ended 31 December 2015

Registered Number SC213977



Border Construction (Holdings) Limited
Directors' report and financial statements
for the year ended 31 December 2015
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Border Construction (Holdings) Limited

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company is as an investment holding company.

Results

The loss for the year, after taxation, amounted to £1,712,570 (2014 profit of: £13,067,487).

Directors

The directors who were in office during the year and up to the date of signing the financial statements were as follows:

B Manning
A Radcliffe
J Davies (appointed 8 January 2015)
S D Phillips (appointed 8 January 2015)

Statement of 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 they have prepared 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 (FRS 102).

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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 its 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.

Border Construction (Holdings) Limited

Directors' report (continued)

Statement of directors' responsibilities in respect of the directors' report and the financial statements (continued)

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

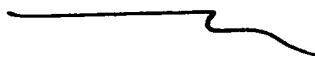
Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Small company provisions

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board



A Radcliffe
Secretary
30 June 2016

Rymes Mill
Earlston
Berwickshire
TD4 6DG

Border Construction (Holdings) Limited

Independent auditors' report to the members of Border Construction (Holdings) Limited

Report on the financial statements

Our opinion

In our opinion, Border Construction (Holdings) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss 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.

What we have audited

Border Construction (Holdings) Limited's financial statements comprise:

- the Balance sheet as at 31 December 2015;
- the Statement of income and retained earnings for the year then ended;
- the Statement of accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Border Construction (Holdings) Limited

Independent auditors' report to the members of Border Construction (Holdings) Limited (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on pages 1 and 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

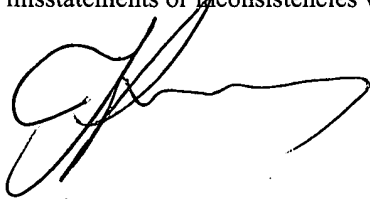
We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Border Construction (Holdings) Limited

Independent auditors' report to the members of Border Construction (Holdings) Limited (continued)

In addition, we read all the financial and non-financial information in the Annual report and financial statements 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.



Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
30 June 2016

Border Construction (Holdings) Limited

Statement of income and retained earnings for the year ended 31 December 2015

	Note	2015 £	2014 £
Amounts written off fixed asset investment		(1,712,570)	13,067,487
Income from shares in group undertakings		-	13,067,487
Loss on ordinary activities before taxation		(1,712,570)	13,067,487
Tax on profit on ordinary activities	3	-	-
Loss for the financial year	6	(1,712,570)	13,067,487
Profit and loss account brought forward		1,360,007	1,360,007
Dividends		-	(13,067,487)
Profit and loss account at the end of the year		(352,563)	1,360,007

All results derive from continuing operations.

The company had no other comprehensive income during the current or preceding year other than that reflected in the profit and loss account.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

Border Construction (Holdings) Limited

Balance sheet as at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	4	-	1,712,570
Net assets		-	1,712,570
Capital and reserves			
Called up share capital	5	352,563	352,563
Profit and loss account	6	(352,563)	1,360,007
Total shareholders' funds	7	-	1,712,570

These financial statements on pages 6 to 12 were approved by the board of directors on 30 June 2016 and were signed on its behalf by:


B Manning
Director

Company registered number: SC213977

Border Construction (Holdings) Limited

Statement of accounting policies

Statement of compliance and general information

The Company is limited by shares and is incorporated in the United Kingdom. The registered office is Rymes Mill, Earlstoun, Berwickshire, TD4 6DG. These financial statements have been prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

This is the first year in which the financial statements have been prepared under FRS 102. The date of transition to FRS 102 was 1 January 2014. Details of the transition to FRS 102 are disclosed in Note 9.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

As the company is a wholly owned subsidiary of Esh Investments Limited, the company has taken advantage of the exemption contained in paragraph 33.1A of FRS 102 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of exemption to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Going concern

The company meets its financing requirements through its cash resources and balances with other companies in the group headed by Esh Holdings Limited.

The company is subject to a cross guarantee banking arrangement with its intermediate parent undertaking, Esh Holdings Limited, and certain other group undertakings. Dunelm Homes Limited does not form part of this cross guarantee arrangement.

The group headed by Esh Holdings Limited recorded an operating profit in 2015 and has substantial net assets. Detailed information regarding the financial position of the group headed by Esh Holdings Limited, its cash flows, liquidity position and borrowing facilities are included in the financial statements of Esh Holdings Limited, which can be obtained from Companies House.

Border Construction (Holdings) Limited

Statement of accounting policies (continued)

After making detailed enquiries and taking into account the factors discussed above, the Board is confident that the company has adequate resources to continue in operational existence for the foreseeable future and accordingly continues to prepare the financial statements on a going concern basis.

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Border Construction (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2015

1 Operating loss

In the current year the audit fee has been borne by another group company.

2 Directors' remuneration

No remuneration was paid by the company to the directors during the current or preceding financial year. The directors were the only employees. Emoluments of the Company's directors are paid by a parent company. Their services to this Company and to a number of other subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company.

3 Taxation

Analysis of tax charge in the year:

	2015	2014
	£	£
Current tax		
Current tax on income for the year	-	-

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2014: lower) than the standard rate of corporation tax in the UK 20.25% (2014: 21.49%). The differences are explained below:

	2015	2014
	£	£
(Loss)/Profit on ordinary activities before tax	(1,712,570)	13,067,487
Current tax at 20.25% (2014: 21.49%)	(345,795)	2,808,203
<i>Effects of:</i>		
Expense/(income) not subject to UK corporation tax	346,795	(2,808,203)
Total current tax charge (see above)	-	-

Tax rate changes

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015. As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

Border Construction (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2015 (continued)

4 Investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2015 and 31 December 2015	1,712,570
Impairment	(1,712,570)
Net book value	
At 31 December 2015	-
At 31 December 2014	1,712,570

The principal undertakings in which the Company's interest at the year end is more than 20% are as follows:

Subsidiary undertaking	Class and percentage of shares held	Nature of business
Border Construction Limited	100% Ordinary	Civil engineering and building contractor

5 Called-up share capital

	2015 £	2014 £
Allotted, called-up and fully paid		
352,563 ordinary shares of £1 each	352,563	352,563

Border Construction (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2015 (continued)

6 Profit and loss account

	£
At 1 January 2015	1,360,007
Loss in year	(1,712,570)
At 31 December 2015	(352,563)

7 Reconciliation of movements in shareholders' funds

	2015	2014
	£	£
Closing shareholders' funds	-	1,712,570

8 Ultimate parent company and parent undertaking of which the company is a member

The company is a subsidiary undertaking of Esh Investments Limited, the ultimate parent company incorporated in England and Wales. The immediate parent company is Esh Construction Limited.

The largest group in which the results are consolidated is that headed by Esh Investments Limited, incorporated in England and Wales and the smallest group is that headed by Esh Construction Limited. The consolidated financial statements of both companies are available to the public and may be obtained from Companies House.

The directors do not consider there to be an individual ultimate controlling party.

9 Transition to FRS 102

This is the first year that the Company has presented its results under FRS 102. FRS 102 has been adopted by the Company for year ended 31 December 2015. The last financial statements under previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 is 1 January 2014. No adjustments have been noted upon transition.