

Border Construction (Holdings) Limited
Directors' report and financial statements
for the year ended 31 December 2016

Registered Number SC213977

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Border Construction (Holdings) Limited
Directors' report and financial statements
for the year ended 31 December 2016
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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 2016.

Principal activities

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

Results

The result for the year, after taxation, amounted to £nil (2015 loss of: £1,712,570).

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 (resigned 28 April 2017)
A Radcliffe
J Davies
S D Phillips

Statement of director's responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 the financial statements comply with the Companies Act 2006.

The directors 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)

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.

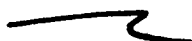
Independent auditors

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
31 August 2017

Botany Mill
Roxburgh Street
Galashiels
TD1 1PB

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 2016 and of its result 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

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of income and retained earnings for the year then ended;
- the 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Border Construction (Holdings) Limited

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

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.

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: 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 director's responsibilities in respect of the financial statements, 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.

Border Construction (Holdings) Limited

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

What an audit of financial statements involves

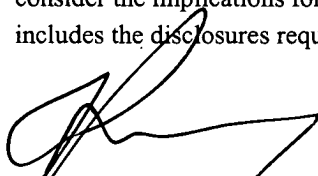
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

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. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.



Jonathan Greenaway (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Newcastle upon Tyne

31 August 2017

Border Construction (Holdings) Limited

Statement of income and retained earnings for the year ended 31 December 2016

	Note	2016 £	2015 £
Amounts written off fixed asset investment		-	(1,712,570)
Result/(Loss) on ordinary activities before taxation		-	(1,712,570)
Tax on result/(loss) on ordinary activities	3	-	-
Result/(Loss) for the financial year		-	(1,712,570)
Profit and loss account brought forward		(352,563)	1,360,007
Profit and loss account at the end of the year		(352,563)	(352,563)

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.

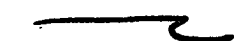
There is no material difference between the profit before taxation and the result/loss for the financial year stated above and their historical cost equivalents.

Border Construction (Holdings) Limited

Balance sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	4	-	-
Net assets		-	-
Capital and reserves			
Called up share capital	5	352,563	352,563
Profit and loss account		(352,563)	(352,563)
Total shareholders' funds		-	-

These financial statements on pages 6 to 12 were approved by the board of directors on 31 August 2017 and were signed on its behalf by:



A Radcliffe
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 Botany Mill, Roxburgh Street, Galashiels, TD1 1PB. 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

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.

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 2016 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 2016

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 Tax on result/(loss)

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2015: higher) than the standard rate of corporation tax in the UK 20% (2015: 20.25%). The differences are explained below:

	2016	2015
	£	£
Result/(Loss) on ordinary activities before tax	-	(1,712,570)
Current tax at 20% (2015: 20.25%)	-	(345,795)
<i>Effects of:</i>		
(Expense not subject to UK corporation tax	-	346,795
Total current tax charge (see above)	-	-

Tax rate changes

The tax rate for the current year is lower than the prior year due to changes in the UK corporation tax rate which decreased from 21% to 20% from 1 April 2015.

The Finance (No. 2) Act 2015 was substantively enacted on 26 October 2015. This reduced the main rate of corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. A further reduction in the main corporation tax rate to 17% from 1 April 2020 was announced in the 2016 Budget and substantively enacted in the Finance Act 2016. Given the changes are stepped, deferred tax assets and liabilities reflect the rate of 19% that will apply from 1 April 2017.

Border Construction (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

4 Investments

	Investments in subsidiary companies
	£
Cost	
At 1 January 2016 and 31 December 2016	1,712,570
Impairment	(1,712,570)
Net book value	
At 31 December 2016	-
At 31 December 2015	-

The 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	Registered Address:
Border Construction Limited	100% Ordinary	Civil engineering and building contractor	Esh House, Bowburn North Industrial Estate, Bowburn, Durham, DH6 5PF

5 Called up share capital

	2016	2015
	£	£
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 2016 (continued)

6 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.