

**DEVON CONTRACTORS LIMITED**  
**DIRECTORS' REPORT**  
**AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2013**  
**REGISTRATION NUMBER 00533232**

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**DEVON CONTRACTORS LIMITED**  
**REGISTRATION NUMBER 00533232**

**COMPANY INFORMATION**

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|                   |  |
|-------------------|--|
| Directors         | Mr S O Bennington<br>Mr P T Alderson<br>Mr N M England<br>Mr D J Hunt          |
| Secretary         | Mr S O Bennington  |
| Company number    | 00533232   |
| Registered office | Clyst Court<br>Hill Barton Business Park<br>Clyst St Mary<br>Exeter<br>EX5 1SA |
| Auditors          | Thomas Westcott<br>26 - 28 Southernhay East<br>Exeter<br>Devon<br>EX1 1NS      |

**DEVON CONTRACTORS LIMITED**  
**REGISTRATION NUMBER 00533232**

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**DEVON CONTRACTORS LIMITED**  
**REGISTRATION NUMBER 00533232**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MAY 2013**

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The directors present their report and the financial statements for the year ended 31 May 2013

**Principal activity and review of the business**

The principal activity of the company continues to be that of building contracting and civil engineering contracting

**Business review**

The company's key financial and other performance indicators during the year were as follows

|  | <b>2012</b> | <b>2013</b> | <b>Change</b> |
|--|-------------|-------------|---------------|
|  | <b>£</b>    | <b>£</b>    | <b>%</b>      |
| Turnover                                   | 9,499,230   | 10,638,212  | +12%          |
| Operating Profit                           | 728,710     | 183,541     | -175%         |
| Profit after Tax                           | 541,456     | 138,046     | -175%         |
| Shareholders Funds                         | 857,399     | 995,445     | +16%          |
| Current assets as % of current liabilities | 127%        | 128%        | +1%           |

The Directors consider that the Company performed in line with expectations and met it's targets. The outlook for the business has a more positive feel, which would indicate future improvement.

**Results and dividends**

The results for the year are set out on page 7

**Financial risk management objectives and policies**

The directors are responsible for monitoring financial risk. Appropriate policies have been developed and implemented to identify, evaluate and manage the key risks

a) Price risk - The company is exposed to price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposures to equity securities price risk as it holds no listed or other equity investments.

b) Credit risk - The company has implemented policies that require appropriate credit checks on potential customers before contracts are entered. The credit given to customers is subject to limits which are determined and reassessed by the directors.

c) Liquidity risk - The company actively maintains a mixture of finance and is able to benefit from a group overdraft facility with its parent company Clyst Holdings Limited, designed to ensure the company has sufficient available funds for operations.

d) Interest rate cash flow risk - The company is not exposed to interest bearing liabilities.

**DEVON CONTRACTORS LIMITED**  
**REGISTRATION NUMBER 00533232**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MAY 2013**

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continued

**Directors**

The directors who served during the year are as stated below

Mr S O Bennington  
Mr P T Alderson  
Mr N M England  
Mr D J Hunt

**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 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and 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.

In so far as the directors are aware,

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

**DEVON CONTRACTORS LIMITED**  
**REGISTRATION NUMBER 00533232**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MAY 2013**

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continued

**Auditors**

Thomas Westcott are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006

This report was approved by the Board on 17th JANUARY '14 and signed on its behalf by

  
.....  
**Mr S O Bennington**  
**Secretary**

# **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DEVON CONTRACTORS LIMITED**

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continued

We have audited the financial statements of Devon Contractors Limited for the year ended 31 May 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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 auditors' 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1 - 4, 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 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 (APB'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.

## **Opinion on the 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 May 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006.**

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

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DEVON CONTRACTORS LIMITED

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continued

### 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

  
Thomas Westcott

**Shona Godefroy FCCA**  
(senior statutory auditor)

**For and on behalf of**  
**Thomas Westcott**

**Chartered Accountants and**  
**Statutory Auditor**

**26 - 28 Southernhay East**

**Exeter**

**Devon**

**EX1 1NS**

5 February 2015



**DEVON CONTRACTORS LIMITED**  
**REGISTRATION NUMBER 00533232**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MAY 2013**

|  |              | <b>Continuing operations</b> |                       |
|--|--------------|------------------------------|-----------------------|
|  |              | <b>2013</b>                  | <b>2012</b>           |
|  | <b>Notes</b> | <b>£</b>                     | <b>£</b>              |
| <b>Turnover</b>                                      | <b>2</b>     | 10,542,279                   | 9,499,230             |
| Cost of sales  |              | (10,081,478)                 | (8,408,606)           |
| <b>Gross profit</b>                                  |              | <u>460,801</u>               | <u>1,090,624</u>      |
| Administrative expenses                              |              | (386,443)                    | (361,914)             |
| <b>Operating profit</b>                              | <b>3</b>     | <u>74,358</u>                | <u>728,710</u>        |
| Interest payable and similar charges                 | <b>5</b>     | (9,072)                      | (1,078)               |
| <b>Profit on ordinary activities before taxation</b> |              | <u>65,286</u>                | <u>727,632</u>        |
| Tax on profit on ordinary activities                 | <b>8</b>     | (12,487)                     | (186,176)             |
| <b>Profit for the year</b>                           | <b>16</b>    | <u><u>52,799</u></u>         | <u><u>541,456</u></u> |

There are no recognised gains or losses other than the profit or loss for the above two financial years

The notes on pages 10 to 20 form an integral part of these financial statements.

**DEVON CONTRACTORS LIMITED**  
**REGISTRATION NUMBER 00533232**

**BALANCE SHEET**

**AS AT 31 MAY 2013**

|   | Notes | 2013<br>£          | 2012<br>£          |
|---|-------|--------------------|--------------------|
| <b>Fixed assets</b>                                   |       |                    |                    |
| Tangible assets                                       | 9     | 41,744             | 49,631             |
| <b>Current assets</b>                                 |       |                    |                    |
| Stocks  | 10    | 500                | 500                |
| Debtors   | 11    | 4,130,387          | 3,853,721          |
| Cash at bank and in hand                              |       | 132,984            | 246                |
|   |       | <u>4,263,871</u>   | <u>3,854,467</u>   |
| <b>Creditors: amounts falling due within one year</b> | 12    | <u>(3,394,370)</u> | <u>(3,046,078)</u> |
| <b>Net current assets</b>                             |       | <u>869,501</u>     | <u>808,389</u>     |
| <b>Total assets less current liabilities</b>          |       | <u>911,245</u>     | <u>858,020</u>     |
| <b>Provisions for liabilities</b>                     | 13    | <u>(1,047)</u>     | <u>(621)</u>       |
| <b>Net assets</b>                                     |       | <u>910,198</u>     | <u>857,399</u>     |
| <b>Capital and reserves</b>                           |       |                    |                    |
| Called up share capital                               | 15    | 300,000            | 300,000            |
| Profit and loss account                               | 16    | 610,198            | 557,399            |
| <b>Shareholders' funds</b>                            | 17    | <u>910,198</u>     | <u>857,399</u>     |

The financial statements were approved by the Board on 17th JANUARY 14 and signed on its behalf by

.....  
**Mr S O Bennington**  
**Director**

.....  
**Mr D J Hunt**  
**Director**

**The notes on pages 10 to 20 form an integral part of these financial statements.**

**DEVON CONTRACTORS LIMITED**  
**REGISTRATION NUMBER 00533232**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 MAY 2013**

|  | Notes | 2013<br>£        | 2012<br>£        |
|--|-------|------------------|------------------|
| <b>Reconciliation of operating profit to net cash inflow from operating activities</b> |       |                  |                  |
| Operating profit   |       | 74,358           | 728,710          |
| Depreciation   |       | 20,177           | 25,389           |
| (Increase) in debtors  |       | (276,666)        | (371,379)        |
| Increase in creditors  |       | 1,117,055        | 230,366          |
| <b>Net cash inflow from operating activities</b>                                       |       | <u>934,924</u>   | <u>613,086</u>   |
| <b>Cash flow statement</b>   |       |                  |                  |
| Net cash inflow from operating activities  |       | 934,924          | 613,086          |
| Returns on investments and servicing of finance  | 22    | (9,072)          | (1,078)          |
| Taxation   | 22    | (185,145)        | (56,969)         |
| Capital expenditure  | 22    | (12,289)         | (4,256)          |
|  |       | <u>728,418</u>   | <u>550,783</u>   |
| Equity dividends paid  |       | -                | (750,000)        |
| <b>Increase in cash in the year</b>  |       | <u>728,418</u>   | <u>(199,217)</u> |
| <b>Reconciliation of net cash flow to movement in net funds (Note 23)</b>              |       |                  |                  |
| <b>Increase in cash in the year</b>  |       | 728,418          | (199,217)        |
| <b>Net debt at 1 June 2012</b>   |       | <u>(731,710)</u> | <u>(532,493)</u> |
| <b>Net debt at 31 May 2013</b>   |       | <u>(3,292)</u>   | <u>(731,710)</u> |

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2013**

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continued

**1. Accounting policies**

**1.1. Accounting convention**

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

**1.2. Turnover**

Turnover represents the total value of goods, excluding value added tax, provided to customers during the year, plus the value of work, excluding value added tax, performed during the year with respect to services

Revenue in respect of contracts is recognised by reference to stage of completion. Where the contract and outcome cannot be measured reliably revenue is recognised only to the extent of the expenses recognised that are recoverable. Contract losses are recognised immediately.

**1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

|                                  |   |   |
|----------------------------------|---|---|
| Plant and machinery              | - | Straight line basis over 2 to 5 years or 50%/40% first year and straight line for the next 3 years depending on the type of asset |
| Fixtures, fittings and equipment | - | Straight line basis up to 5 years   |
| Motor vehicles                   | - | Straight line basis over 5 years  |

Tangible fixed assets are stated at cost less accumulated depreciation.

**1.4. Stock**

Stock is valued at the lower of cost and net realisable value

**1.5. Long term contracts**

Amounts recoverable on long term contracts, which are included in debtors are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments received on account

**1.6. Pensions**

The company operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contribution payable by the company during the year

**DEVON CONTRACTORS LIMITED**  
**REGISTRATION NUMBER 00533232**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2013**

**2. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

Turnover represents the amounts derived from goods and services which fall within the company's ordinary activities net of value added tax

**3. Operating profit**

|  | <b>2013</b>   | <b>2012</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| Operating profit is stated after charging                  |               |               |
| Depreciation and other amounts written off tangible assets | 20,177        | 23,719        |
| Loss on disposal of tangible fixed assets                  | -             | 1,670         |
| Auditors' remuneration (Note 4)                            | <u>14,585</u> | <u>18,749</u> |

**4. Auditors' remuneration**

|  | <b>2013</b>   | <b>2012</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| Auditors' remuneration - audit of the financial statements | <u>11,200</u> | <u>11,000</u> |
| Auditors' remuneration - other fees                        |               |               |
| - taxation services  | <u>3,385</u>  | <u>7,749</u>  |

**5. Interest payable and similar charges**

|  | <b>2013</b>  | <b>2012</b>  |
|--|--------------|--------------|
|  | <b>£</b>     | <b>£</b>     |
| Interest payable on loans < 1 yr             | 272          | 521          |
| On loans repayable between one and two years | 8,800        | 548          |
| On overdue tax                               | -            | 9            |
|  | <u>9,072</u> | <u>1,078</u> |

**DEVON CONTRACTORS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2013**

continued

**6. Employees**

**Number of employees**

**2013**

**2012**

The average monthly numbers of employees  
(including the directors) during the year were

|                |           |           |
|----------------|-----------|-----------|
| Directors      | 4         | 4         |
| Administration | 17        | 17        |
| Labourers      | 15        | 17        |
|                | <u>36</u> | <u>38</u> |

**Employment costs**

**2013**

**2012**

**£**

**£**

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Wages and salaries                   | 1,051,151        | 1,107,153        |
| Social security costs                | 2,151            | 3,117            |
| Pension costs-other operating charge | 39,121           | 32,365           |
|                                      | <u>1,092,423</u> | <u>1,142,635</u> |

**6.1. Directors' remuneration**

**2013**

**2012**

**£**

**£**

|                                   |                |                |
|-----------------------------------|----------------|----------------|
| Remuneration and other emoluments | 210,387        | 220,966        |
| Pension contributions             | 17,000         | 16,380         |
|                                   | <u>227,387</u> | <u>237,346</u> |

**Number**

**Number**

Number of directors to whom retirement benefits  
are accruing under a money purchase scheme

4

4

**Highest paid director**

**£**

**£**

Amounts included above

|                               |               |               |
|-------------------------------|---------------|---------------|
| Emoluments and other benefits | 57,100        | 58,631        |
| Pension contributions         | 4,250         | 4,095         |
|                               | <u>61,350</u> | <u>62,726</u> |

**DEVON CONTRACTORS LIMITED**  
**REGISTRATION NUMBER 00533232**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2013**

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continued

**7. Pension costs**

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £24,875 (2012 - £26,177).

**DEVON CONTRACTORS LIMITED**  
**REGISTRATION NUMBER 00533232**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2013**

continued

**8. Tax on profit on ordinary activities**

| <b>Analysis of charge in period</b>          | <b>2013</b>   | <b>2012</b>    |
|--|---------------|----------------|
|  | <b>£</b>      | <b>£</b>       |
| <b>Current tax</b>                           |               |                |
| UK corporation tax                           | 12,061        | 185,144        |
| Adjustments in respect of previous periods   | -             | 411            |
|  | <u>12,061</u> | <u>185,555</u> |
| Total current tax charge                     | <u>12,061</u> | <u>185,555</u> |
| <b>Deferred tax</b>                          |               |                |
| Timing differences, origination and reversal | 426           | 621            |
| Total deferred tax                           | <u>426</u>    | <u>621</u>     |
| Tax on profit on ordinary activities         | <u>12,487</u> | <u>186,176</u> |

**Factors affecting tax charge for period**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (20 00 per cent) The differences are explained below

|   | <b>2013</b>   | <b>2012</b>    |
|---|---------------|----------------|
|   | <b>£</b>      | <b>£</b>       |
| Profit on ordinary activities before taxation   | <u>65,286</u> | <u>727,632</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20 00% (31 May 2012 26 00%) | 13,057        | 189,184        |
| <b>Effects of:</b>  |               |                |
| Expenses not deductible for tax purposes  | -             | 434            |
| Capital allowances for period in excess of depreciation   | (996)         | (1,682)        |
| Marginal relief   | -             | (385)          |
| Changes in tax rate to 24%  | -             | (2,407)        |
| Adjustment re prior year  | -             | 411            |
| Current tax charge for period   | <u>12,061</u> | <u>185,555</u> |



**DEVON CONTRACTORS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2013**

continued

| 9. Tangible fixed assets | Plant and machinery |        | Fixtures, fittings and equipment | Motor vehicles | Total |
|--------------------------|---------------------|--------|----------------------------------|----------------|-------|
|                          | £                   | £      | £                                | £              | £     |
| <b>Cost</b>              |                     |        |                                  |                |       |
| At 1 June 2012           | 119,274             | 60,260 | 139,820                          | 319,354        |       |
| Additions                | -                   | 12,289 | -                                | 12,289         |       |
| At 31 May 2013           | 119,274             | 72,549 | 139,820                          | 331,643        |       |
| <b>Depreciation</b>      |                     |        |                                  |                |       |
| At 1 June 2012           | 115,082             | 48,919 | 105,722                          | 269,723        |       |
| Charge for the year      | 855                 | 5,627  | 13,694                           | 20,176         |       |
| At 31 May 2013           | 115,937             | 54,546 | 119,416                          | 289,899        |       |
| <b>Net book values</b>   |                     |        |                                  |                |       |
| At 31 May 2013           | 3,337               | 18,003 | 20,404                           | 41,744         |       |
| At 31 May 2012           | 4,192               | 11,341 | 34,098                           | 49,631         |       |

| 10. Stocks                    | 2013 | 2012 |
|-------------------------------|------|------|
|                               | £    | £    |
| Raw materials and consumables | 500  | 500  |

| 11. Debtors                                | 2013      | 2012      |
|--|-----------|-----------|
|  | £         | £         |
| Amounts recoverable on long term contracts | 2,614,937 | 1,909,257 |
| Amounts owed by group undertakings         | 1,388,327 | 1,879,108 |
| Other debtors                              | 127,123   | 65,356    |
|  | 4,130,387 | 3,853,721 |

Included within amounts recoverable on long term contracts is £189,734 (2012 - £93,401) for contracts being carried out for Clyst Holdings Limited

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2013**

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continued

| <b>12. Creditors: amounts falling due within one year</b> | <b>2013<br/>£</b> | <b>2012<br/>£</b> |
|---|-------------------|-------------------|
| Bank overdraft  | 136,276           | 731,956           |
| Trade creditors   | 2,856,215         | 1,688,528         |
| Corporation tax   | 12,061            | 185,144           |
| Other taxes and social security costs                     | 49,681            | 41,693            |
| Directors' accounts                                       | 215,415           | 249,062           |
| Accruals and deferred income                              | 124,722           | 149,695           |
|   | <u>3,394,370</u>  | <u>3,046,078</u>  |

The company has a bank overdraft facility. Security for the facility is given by a fixed and floating charge over all of the company's assets. It is also secured by a guarantee from Clyst Holdings Limited dated 25 September 2000. There is also a right to set-off.

**13. Provisions for liabilities**

|                       | <b>Deferred<br/>taxation<br/>(Note 14)<br/>£</b> | <b>Total<br/>£</b> |
|-----------------------|--|--------------------|
| At 1 June 2012        | 621  | 621                |
| Movements in the year | 426  | 426                |
| At 31 May 2013        | <u>1,047</u>                                     | <u>1,047</u>       |

**DEVON CONTRACTORS LIMITED**  
**REGISTRATION NUMBER 00533232**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2013**

continued

|  |                                |              |
|--|--------------------------------|--------------|
| <b>14. Provision for deferred taxation</b>     | <b>2013</b>                    | <b>2012</b>  |
|  | <b>£</b>                       | <b>£</b>     |
| Accelerated capital allowances                 | 1,047                          | 621          |
| Provision for deferred tax                     | 1,047                          | 621          |
|  |                                |              |
| Provision at 1 June 2012                       | 621                            |              |
| Deferred tax charge in profit and loss account | 426                            |              |
| Provision at 31 May 2013                       | 1,047                          |              |
|  |                                |              |
| <b>15. Share capital</b>                       | <b>2013</b>                    | <b>2012</b>  |
|  | <b>£</b>                       | <b>£</b>     |
| <b>Authorised</b>                              |                                |              |
| 300,000 Ordinary £1 shares of 1 each           | 300,000                        | 300,000      |
| <b>Allotted, called up and fully paid</b>      |                                |              |
| 300,000 Ordinary £1 shares of 1 each           | 300,000                        | 300,000      |
|  |                                |              |
| <b>Equity Shares</b>                           |                                |              |
| 300,000 Ordinary £1 shares of 1 each           | 300,000                        | 300,000      |
|  |                                |              |
| <b>16. Equity Reserves</b>                     | <b>Profit and loss account</b> | <b>Total</b> |
|  | <b>£</b>                       | <b>£</b>     |
| <b>At 1 June 2012</b>                          | 557,399                        | 557,399      |
| Profit for the year                            | 52,799                         | 52,799       |
| <b>At 31 May 2013</b>                          | 610,198                        | 610,198      |

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| <b>17. Reconciliation of movements in shareholders' funds</b> | <b>2013</b>    | <b>2012</b>      |
|---|----------------|------------------|
|   | <b>£</b>       | <b>£</b>         |
| Profit for the year   | 52,799         | 541,456          |
| Dividends   | -              | (750,000)        |
|   | <u>52,799</u>  | <u>(208,544)</u> |
| Opening shareholders' funds                                   | 857,399        | 1,065,943        |
| Closing shareholders' funds                                   | <u>910,198</u> | <u>857,399</u>   |

**18. Contingent liabilities**

At the year end the company's bankers have given bonds to certain customers of the company to guarantee completion of the projects undertaken. The amount of these bonds varied throughout the year and at the year end amounted to £382,914 (2012 - £226,285)

Any bank borrowings of Clyst Holdings Limited are secured by a cross guarantee from Devon Contractors Limited dated 25 September 2000

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**19. Related party transactions**

The company is a 60% owned subsidiary of Clyst Holdings Limited

During the year the company made sales to Clyst Holdings Limited of £96,333 (2012 - £110,276)  
This excludes the value of unbilled work carried out in the year

During the year the company paid Clyst Holdings Limited £32,000 (2012 - £32,000) for rental services in the year, and £1,971 (2012 - £2,464) in respect of other services

During the year, Devon Contractors Limited paid Clyst Holdings Limited a dividend of £nil (2012 - £450,000)

At the year end, Clyst Holdings Limited owed Devon Contractors Limited £1,382,952 (2012 - £1,879,108) This loan is interest free and repayable on demand

**Transactions with directors**

| Dividends were declared in respect of the following directors | 2013 | 2012   |
|---|------|--------|
|   | £    | £      |
| Mr S O Bennington   | -    | 75,000 |
| Mr P T Alderson   | -    | 75,000 |
| Mr N M England  | -    | 75,000 |
| Mr D J Hunt   | -    | 75,000 |

The balance outstanding on the directors loans at 31 May 2013 was, Mr S O Bennington £62,768 (2012 - £75,212), Mr P T Alderson £60,643 (2012 - £75,212), Mr N M England £53,184 (2012 - £61,134), Mr D J Hunt £38,820 (2012 - £37,504) The loans are subject to interest at a rate of 5% above the Bank of England base rate

**20. Ultimate parent undertaking**

The directors regard Clyst Holdings Limited, a company registered in England, as the ultimate parent company Copies of the ultimate parents' financial statements may be requested from The Secretary, Clyst Holdings Limited, Hill Barton Business Park, Clyst St Mary, Exeter, Devon, EX5 1SA

Clyst Holdings Limited is controlled by Mr P J Hilson and Mr I T Buckland

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**21. Controlling interest**

No individual has overall control of the company

**22. Gross cash flows**

|  | <b>2013</b>     | <b>2012</b>    |
|--|-----------------|----------------|
|  | <b>£</b>        | <b>£</b>       |
| <b>Returns on investments and servicing of finance</b> |                 |                |
| Interest paid  | (9,072)         | (1,078)        |
| <b>Taxation</b>  |                 |                |
| Corporation tax paid                                   | (185,145)       | (56,969)       |
| <b>Capital expenditure</b>                             |                 |                |
| Payments to acquire tangible assets                    | (12,289)        | (16,206)       |
| Receipts from sales of tangible assets                 | -               | 11,950         |
|  | <u>(12,289)</u> | <u>(4,256)</u> |

**23. Analysis of changes in net funds**

|                          | <b>Opening<br/>balance</b> | <b>Cash<br/>flows</b> | <b>Closing<br/>balance</b> |
|--------------------------|----------------------------|-----------------------|----------------------------|
|                          | <b>£</b>                   | <b>£</b>              | <b>£</b>                   |
| Cash at bank and in hand | 246                        | 132,738               | 132,984                    |
| Overdrafts               | (731,956)                  | 595,680               | (136,276)                  |
|                          | <u>(731,710)</u>           | <u>728,418</u>        | <u>(3,292)</u>             |
| <b>Net funds</b>         | <u>(731,710)</u>           | <u>728,418</u>        | <u>(3,292)</u>             |