

DEVON CONTRACTORS LIMITED
DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
REGISTRATION NUMBER 00533232

MONDAY



A51SYYY8

A14

29/02/2016

#127

COMPANIES HOUSE

DEVON CONTRACTORS LIMITED
REGISTRATION NUMBER 00533232

COMPANY INFORMATION

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

DEVON CONTRACTORS LIMITED
REGISTRATION NUMBER 00533232

CONTENTS

| | Page |
|-----------------------------------|----------------|
| Strategic report | 1 - 2 |
| Directors' report | 3 - 4 |
| Auditors' report | 5 - 6 |
| Profit and loss account | 7 |
| Balance sheet | 8 |
| Cash flow statement | 9 |
| Notes to the financial statements | 10 - 20 |

DEVON CONTRACTORS LIMITED
REGISTRATION NUMBER 00533232

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2015

Business Review

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

| | 2015 | 2014 | Change |
|--|-------------|-------------|---------------|
| Turnover | 15,062,925 | 18,309,380 | -18% |
| Operating Profit | 110,371 | 228,969 | -52% |
| Profit/(loss) after Tax | (815,649) | 174,411 | -556% |
| Shareholders Funds | 289,348 | 1,084,609 | -73% |
| Current assets as % of current liabilities | 104% | 121% | -17% |

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

The directors do not recommend payment of a final dividend.

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 flow risk - The company is not exposed to interest bearing liabilities

Environmental and Social Matters

Information about environmental matters, the company's employees, social community and human rights issues have not been provided as the directors do not believe that this is fundamental to gain an understanding of the business.

DEVON CONTRACTORS LIMITED
REGISTRATION NUMBER 00533232

STRATEGIC REPORT

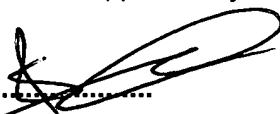
FOR THE YEAR ENDED 31 MAY 2015

..... continued

Directors

All four of the Company Directors are male.

This report was approved by the Board on 1st FEBRUARY 2016 and signed on its behalf by


.....
Mr S O Bennington
Secretary

DEVON CONTRACTORS LIMITED
REGISTRATION NUMBER 00533232

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2015

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

Principal activity and review of the business

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

Results and dividends

The results for the year are set out on page 7.

The directors do not recommend payment of a final dividend.

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 Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that 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.

DEVON CONTRACTORS LIMITED
REGISTRATION NUMBER 00533232

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2015

..... continued

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Strategic Report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments, research and developments and financial instruments.

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 1st FEBRUARY 2016 and signed on its behalf by


.....
Mr S O Bennington
Secretary

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

We have audited the financial statements of Devon Contractors Limited for the year ended 31 May 2015 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 3 - 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 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.

Opinion on other matter prescribed by the Companies Act 2006.

In our opinion the information given in the Strategic Report and 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

.....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**

05 February 2016

DEVON CONTRACTORS LIMITED
REGISTRATION NUMBER 00533232

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2015

| | | Continuing operations | |
|---|--------------|------------------------------|--------------|
| | | 2015 | 2014 |
| | Notes | £ | £ |
| Turnover | 2 | 15,062,925 | 18,309,380 |
| Cost of sales | | (14,556,728) | (17,686,781) |
| Gross profit | | 506,197 | 622,599 |
| Administrative expenses | | (395,826) | (393,630) |
| Operating profit | 3 | 110,371 | 228,969 |
| Intercompany loan write-off | 12 | (900,000) | - |
| (Loss)/profit on ordinary activities before interest | | (789,629) | 228,969 |
| Other interest receivable and similar income | 5 | 745 | 1,436 |
| Interest payable and similar charges | 6 | (6,377) | (6,501) |
| (Loss)/profit on ordinary activities before taxation | | (795,261) | 223,904 |
| Tax on (loss)/profit on ordinary activities | | (20,388) | (49,493) |
| (Loss)/profit for the year | 17 | (815,649) | 174,411 |

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 2015

| | Notes | 2015 | | 2014 | |
|---|-------|--------------------|----------------|--------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 10 | | 69,496 | | 23,518 |
| Current assets | | | | | |
| Stocks | 11 | 500 | | 500 | |
| Debtors | 12 | 4,320,356 | | 4,557,062 | |
| Cash at bank and in hand | | 1,328,273 | | 1,603,371 | |
| | | <u>5,649,129</u> | | <u>6,160,933</u> | |
| Creditors: amounts falling due within one year | 13 | <u>(5,442,364)</u> | | <u>(5,099,842)</u> | |
| Net current assets | | | <u>206,765</u> | | <u>1,061,091</u> |
| Total assets less current liabilities | | | 276,261 | | 1,084,609 |
| Provisions for liabilities | 14 | | <u>(7,301)</u> | | <u>-</u> |
| Net assets | | | <u>268,960</u> | | <u>1,084,609</u> |
| Capital and reserves | | | | | |
| Called up share capital | 16 | | 30,000 | | 30,000 |
| Profit and loss account | 17 | | 238,960 | | 1,054,609 |
| Shareholders' funds | 18 | | <u>268,960</u> | | <u>1,084,609</u> |

These accounts were approved by the directors on 1st FEBRUARY 2016 and are signed on their 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 2015

| | Notes | 2015 £ | 2014 £ |
|---|-------|------------------|----------------|
| Reconciliation of operating (loss)/profit to net cash inflow from operating activities | | | |
| Operating (loss)/profit | | 110,371 | 228,969 |
| Depreciation | | 27,050 | 20,518 |
| Decrease in debtors | | 236,706 | (426,675) |
| Increase in creditors | | 426,127 | 938,422 |
| Intercompany loan write-off | | (900,000) | - |
| Net cash inflow from operating activities | | <u>(99,746)</u> | <u>761,234</u> |
| Cash flow statement | | | |
| Net cash inflow from operating activities | | (99,746) | 761,234 |
| Returns on investments and servicing of finance | 25 | (5,632) | (5,065) |
| Taxation | 25 | (50,540) | (12,061) |
| Capital expenditure | 25 | (73,028) | (2,292) |
| Decrease in cash in the year | | <u>(228,946)</u> | <u>741,816</u> |
| Reconciliation of net cash flow to movement in net debt (Note 26) | | | |
| Decrease in cash in the year | | (228,946) | 741,816 |
| Net funds at 1 June 2014 | | <u>738,524</u> | <u>(3,292)</u> |
| Net funds at 31 May 2015 | | <u>509,578</u> | <u>738,524</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2015

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.

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 |
| 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 2015

..... continued

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

| | 2015 | 2014 |
|--|-------------------|-------------------|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Depreciation and other amounts written off tangible assets | 28,133 | 20,918 |
| Auditors' remuneration (Note 4) | 12,196 | 14,711 |
| | <u> </u> | <u> </u> |
| and after crediting: | | |
| Profit on disposal of tangible fixed assets | 1,083 | 400 |
| | <u> </u> | <u> </u> |

4. Auditors' remuneration

| | 2015 | 2014 |
|--|-------------------|-------------------|
| | £ | £ |
| Auditors' remuneration - audit of the financial statements | 11,400 | 11,300 |
| | <u> </u> | <u> </u> |
| Auditors' remuneration - other fees: | | |
| - taxation compliance services | 796 | 3,411 |
| | <u> </u> | <u> </u> |

5. Interest receivable and similar income

| | 2015 | 2014 |
|---------------|-------------------|-------------------|
| | £ | £ |
| Bank interest | 745 | 1,436 |
| | <u> </u> | <u> </u> |

6. Interest payable and similar charges

| | 2015 | 2014 |
|--|-------------------|-------------------|
| | £ | £ |
| Interest payable on loans < 1 yr | 68 | 48 |
| On loans repayable between one and two years | 6,309 | 6,453 |
| | <u> </u> | <u> </u> |
| | 6,377 | 6,501 |
| | <u> </u> | <u> </u> |

DEVON CONTRACTORS LIMITED
REGISTRATION NUMBER 00533232

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2015

..... continued

7. Employees

| Number of employees | 2015 | 2014 |
|---|-------------|-------------|
| The average monthly numbers of employees (including the directors) during the year were: | | |
| Directors | 4 | 4 |
| Administration | 19 | 17 |
| Labourers | 16 | 16 |
| | <u>39</u> | <u>37</u> |

| Employment costs | 2015 | 2014 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,320,094 | 1,251,290 |
| Social security costs | 3,361 | 2,213 |
| Pension costs-other operating charge | 58,501 | 46,434 |
| | <u>1,381,956</u> | <u>1,299,937</u> |

| 7.1. Directors' remuneration | 2015 | 2014 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Remuneration and other emoluments | <u>233,625</u> | <u>227,203</u> |

| | Number | Number |
|---|---------------|---------------|
| Number of directors to whom retirement benefits are accruing under a money purchase scheme | <u>4</u> | <u>4</u> |

| Highest paid director | £ | £ |
|-------------------------------|---------------|---------------|
| Amounts included above: | | |
| Emoluments and other benefits | 71,068 | 65,549 |
| Pension contributions | 4,500 | 4,500 |
| | <u>75,568</u> | <u>70,049</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2015

..... continued

8. 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 £50,857 (2014 - £39,229).

| | 2015 | 2014 |
|--|--------------|--------------|
| Analysis of the amount charged to operating profit | £ | £ |
| Current service cost | 7,644 | 7,205 |
| | <u>7,644</u> | <u>7,205</u> |

DEVON CONTRACTORS LIMITED
REGISTRATION NUMBER 00533232

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2015

..... continued

9. Tax on (loss)/profit on ordinary activities

| Analysis of charge in period | 2015 | 2014 |
|--|---------------|----------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax | 13,087 | 50,540 |
| Total current tax charge | <u>13,087</u> | <u>50,540</u> |
| Deferred tax | | |
| Timing differences, origination and reversal | 7,301 | (1,047) |
| Total deferred tax | <u>7,301</u> | <u>(1,047)</u> |
| Tax on (loss)/profit on ordinary activities | <u>20,388</u> | <u>49,493</u> |

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (20.00 per cent). The differences are explained below:

| | 2015 | 2014 |
|--|------------------|----------------|
| | £ | £ |
| (Loss)/profit on ordinary activities before taxation | <u>(795,261)</u> | <u>223,904</u> |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (31 May 2014 : 23.00%) | (159,052) | 51,498 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 180,000 | 478 |
| Capital allowances for period in excess of depreciation | (7,861) | 2,772 |
| Marginal relief | - | (3,412) |
| Changes in tax rate to 21% | - | (796) |
| Current tax charge for period | <u>13,087</u> | <u>50,540</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2015

..... continued

| 10. Tangible fixed assets | Plant and machinery £ | Fixtures, fittings equipment £ | Motor vehicles £ | Total £ |
|---------------------------|-----------------------------|---|------------------------|------------|
| Cost | | | | |
| At 1 June 2014 | 111,121 | 75,241 | 139,820 | 326,182 |
| Additions | - | 8,752 | 65,359 | 74,111 |
| Disposals | - | - | (33,200) | (33,200) |
| At 31 May 2015 | 111,121 | 83,993 | 171,979 | 367,093 |
| Depreciation | | | | |
| At 1 June 2014 | 108,640 | 60,914 | 133,110 | 302,664 |
| On disposals | - | - | (33,200) | (33,200) |
| Charge for the year | 696 | 7,655 | 19,782 | 28,133 |
| At 31 May 2015 | 109,336 | 68,569 | 119,692 | 297,597 |
| Net book values | | | | |
| At 31 May 2015 | 1,785 | 15,424 | 52,287 | 69,496 |
| At 31 May 2014 | 2,481 | 14,327 | 6,710 | 23,518 |

| 11. Stocks | 2015 £ | 2014 £ |
|-------------------------------|-----------|-----------|
| Raw materials and consumables | 500 | 500 |

| 12. Debtors | 2015 £ | 2014 £ |
|--|-----------|-----------|
| Amounts recoverable on long term contracts | 3,536,093 | 3,023,020 |
| Amounts owed by group undertakings | 565,660 | 1,465,660 |
| Other debtors | 218,603 | 68,382 |
| | 4,320,356 | 4,557,062 |

During the year £900,000 was written off the intercompany loan from Clyst Holdings Limited as part of the share sale to Grindlebrook Limited.

DEVON CONTRACTORS LIMITED
REGISTRATION NUMBER 00533232

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2015

..... continued

| 13. Creditors: amounts falling due within one year | 2015 £ | 2014 £ |
|---|-------------------|-------------------|
| Bank overdraft | 818,695 | 864,847 |
| Trade creditors | 4,185,657 | 3,721,924 |
| Corporation tax | 13,087 | 50,540 |
| Other taxes and social security costs | 92,234 | 40,205 |
| Directors' accounts | 177,035 | 182,084 |
| Accruals and deferred income | 155,656 | 240,242 |
| | <u>5,442,364</u> | <u>5,099,842</u> |

An unlimited debenture dated 11 July 2013 incorporating a fixed and floating charge over all of the company's assets.

14. Provisions for liabilities

| | Deferred taxation (Note 15) £ | Total £ |
|-----------------------|--|--------------------|
| Movements in the year | 7,301 | 7,301 |
| At 31 May 2015 | <u>7,301</u> | <u>7,301</u> |

DEVON CONTRACTORS LIMITED
REGISTRATION NUMBER 00533232

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2015

..... continued

| | | |
|--|--------------------------------|----------------|
| 15. Provision for deferred taxation | 2015 | 2014 |
| | £ | £ |
| Accelerated capital allowances | 7,301 | - |
| Provision for deferred tax | 7,301 | - |
| | <u>7,301</u> | <u>-</u> |
| Deferred tax charge in profit and loss account | 7,301 | |
| Provision at 31 May 2015 | <u>7,301</u> | |
| 16. Share capital | 2015 | 2014 |
| | £ | £ |
| Allotted, called up and fully paid | | |
| 30,000 Ordinary £1 shares of £1 each | 30,000 | 30,000 |
| | <u>30,000</u> | <u>30,000</u> |
| Equity Shares | | |
| 30,000 Ordinary £1 shares of £1 each | 30,000 | 30,000 |
| | <u>30,000</u> | <u>30,000</u> |
| 17. Equity Reserves | Profit and loss account | Total |
| | £ | £ |
| At 1 June 2014 | 1,054,609 | 1,054,609 |
| Loss for the year | (815,649) | (815,649) |
| At 31 May 2015 | <u>238,960</u> | <u>238,960</u> |

DEVON CONTRACTORS LIMITED
REGISTRATION NUMBER 00533232

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2015

..... continued

| 18. Reconciliation of movements in shareholders' funds | 2015 | 2014 |
|---|----------------|------------------|
| | £ | £ |
| (Loss)/profit for the year | (815,649) | 174,411 |
| Purchase of own shares | - | (270,000) |
| Other recognised gains or losses | - | 270,000 |
| Opening shareholders' funds | 1,084,609 | 910,198 |
| Closing shareholders' funds | <u>268,960</u> | <u>1,084,609</u> |

19. Financial commitments

At 31 May 2015 the company had annual commitments under non-cancellable operating leases as follows:

| | 2015 | Other | 2014 |
|----------------------------|--------------|--------------|-------------|
| | £ | | £ |
| Expiry date: | | | |
| Between one and five years | <u>5,003</u> | | <u>-</u> |

20. 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 £342,061 (2014 - £416,720).

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

DEVON CONTRACTORS LIMITED
REGISTRATION NUMBER 00533232

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2015

..... continued

21. Transactions with directors

There were no dividends declared during the year.

The balance outstanding on the directors loans at 31 May 2015 was; Mr S O Bennington £45,747 (2014 - £45,521), Mr P T Alderson £42,096 (2014 - £45,521), Mr N M England £42,096 (2014 - £45,521), Mr D J Hunt £47,096 (2014 - £45,521). The loans are subject to interest at a rate of 3% above the Bank of England based rate.

22. Related party transactions

On 19 May 2015 Clyst Holdings Limited sold its 60% shareholding in the company to Grindlebrook Limited. As part of the purchase agreement £900,000 was written off the inter-company loan.

During the year the company made sales to Cyst Holdings Limited of £nil (2014 - £71,887). This excludes the value of unbilled work carried out during the year.

During the year the company paid Cyst Holdings Limited £32,000 (2014 - £32,000) for rental services in the year, and £298 (2014 - £491) in respect of other services.

At the year end, Cyst Holdings Limited owed Devon Contractors Limited £78,136 (2014 - £1,465,660). This loan is interest free and repayable on demand.

At the year end, Grindlebrook Limited owed Devon Contractors Limited £565,660.

23. Ultimate parent undertaking

The directors regard Grindlebrook Limited, a company registered in England, as the ultimate parent company, following the transfer of shareholdings from Cyst Holdings Limited to Grindlebrook Limited on 19 May 2015. Copies of the ultimate parents' financial statements may be requested from The Secretary, Grindlebrook Limited, Hill Barton Business Park, Cyst St Mary, Exeter, Devon, EX5 1SA.

Grindlebrook Limited is controlled by Mr P J Hilson and Mr I T Buckland.

DEVON CONTRACTORS LIMITED
REGISTRATION NUMBER 00533232

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2015

..... continued

24. Controlling interest

No individual has overall control of the company.

25. Gross cash flows

| | 2015 | 2014 |
|--|-----------------|----------------|
| | £ | £ |
| Returns on investments and servicing of finance | | |
| Interest received | 745 | 1,436 |
| Interest paid | (6,377) | (6,501) |
| | <u>(5,632)</u> | <u>(5,065)</u> |
| Taxation | | |
| Corporation tax paid | (50,540) | (12,061) |
| Capital expenditure | | |
| Payments to acquire tangible assets | (74,111) | (2,692) |
| Receipts from sales of tangible assets | 1,083 | 400 |
| | <u>(73,028)</u> | <u>(2,292)</u> |

26. Analysis of changes in net funds

| | Opening balance | Cash flows | Closing balance |
|--------------------------|----------------------------|-----------------------|----------------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 1,603,371 | (275,098) | 1,328,273 |
| Overdrafts | (864,847) | 46,152 | (818,695) |
| | <u>738,524</u> | <u>(228,946)</u> | <u>509,578</u> |
| Net funds | <u>738,524</u> | <u>(228,946)</u> | <u>509,578</u> |