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**DEVON CONTRACTORS  
LIMITED**

**DIRECTORS REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MAY 2017**

**REGISTRATION NUMBER  
00533232**

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## **DEVON CONTRACTORS LIMITED**

### **DIRECTORS AND OTHER INFORMATION**

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**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

**Auditor**

Thomas Westcott  
26 - 28 Southernhay East  
Exeter  
Devon  
EX1 1NS

## DEVON CONTRACTORS LIMITED

### STRATEGIC REPORT YEAR ENDED 31 MAY 2017

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#### Financial Review

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

	2017	2016	Change
Turnover	13,096,945	17,723,012	(26)%
Operating Profit	413,841	316,723	31%
Profit/(loss) after Tax	324,927	248,928	31%
Shareholders Funds	842,815	517,888	63%
Current assets as % of current liabilities	121%	110%	10%

Although turnover has decreased on the previous year the Company has secured work for the forthcoming and next financial years, with the Company expected to increase market share in excess of 2016 levels.

Operating profit and profit before tax have increased substantially in the year, with some excellent results obtained on particular projects. Margins are still tight in general with on going market and economic pressures within the sector predicted to continue for the foreseeable future.

Shareholders funds increased due to the current profit in the year, to ensure a healthy balance sheet and maintain a strong cash flow. The company will continue its policy on strong cost control measures with a positive cash flow management and by extending its already diverse project portfolio.

The directors consider that the Company performed in line with expectations and met its targets.

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

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**DEVON CONTRACTORS LIMITED**

**STRATEGIC REPORT (CONTINUED)**  
**YEAR ENDED 31 MAY 2017**

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**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.

**Directors**

All four of the Company Directors are male.

This report was approved by the board of directors on .....<sup>15/11/17</sup> and signed on behalf of the board by:



Mr S O  
Bennington  
Director

## **DEVON CONTRACTORS LIMITED**

### **DIRECTORS REPORT YEAR ENDED 31 MAY 2017**

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The directors present their report and the financial statements of the company for the year ended 31 May 2017.

#### **Directors**

The directors who served the company during the year were as follows:

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

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Financial instruments**

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

#### **Disclosure of information in the 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.

## **DEVON CONTRACTORS LIMITED**

### **DIRECTORS REPORT (CONTINUED) YEAR ENDED 31 MAY 2017**

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#### **Directors responsibilities statement**

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 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 judgments 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. 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.


#### **Auditor**

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have 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.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 15/11/17 and signed on behalf of the board by:



Mr S O Bennington  
Director

## **DEVON CONTRACTORS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVON CONTRACTORS LIMITED YEAR ENDED 31 MAY 2017**

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We have audited the financial statements of Devon Contractors Limited for the year ended 31 May 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor**

As explained more fully in the directors responsibilities statement, 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 strategic report and 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 2017 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.



**DEVON CONTRACTORS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
DEVON CONTRACTORS LIMITED (CONTINUED)  
YEAR ENDED 31 MAY 2017**

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**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 prepared in accordance with applicable legal requirements and, in light of our knowledge and understanding of the company and its environment obtained during the course of the audit, we have not identified material misstatements in the strategic report and the directors report.

**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 the 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

*18 January 2018*

**DEVON CONTRACTORS LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
YEAR ENDED 31 MAY 2017**

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	Note	2017 £	2016 £
<b>Turnover</b>	<b>4</b>	13,096,945	17,723,012
Cost of sales		(12,271,042)	(16,984,353)
<b>Gross profit</b>		<u>825,903</u>	<u>738,659</u>
Administrative expenses		(412,062)	(421,936)
<b>Operating profit</b>	<b>5</b>	<u>413,841</u>	<u>316,723</u>
Other interest receivable and similar income	<b>8</b>	422	747
Interest payable and similar expenses	<b>9</b>	(8,822)	(6,310)
<b>Profit before taxation</b>		<u>405,441</u>	<u>311,160</u>
Tax on profit	<b>10</b>	(80,514)	(62,232)
<b>Profit for the financial year and total comprehensive income</b>		<u><u>324,927</u></u>	<u><u>248,928</u></u>

All the activities of the company are from continuing operations.

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The notes on pages 14 to 25 form part of these financial statements.

**DEVON CONTRACTORS LIMITED****STATEMENT OF FINANCIAL POSITION  
31 MAY 2017**

	Note	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	12	<u>80,005</u>		<u>48,323</u>	
			80,005		48,323
<b>Current assets</b>					
Stocks	13	-		500	
Debtors	14	2,092,587		3,270,236	
Cash at bank and in hand		<u>2,330,954</u>		<u>2,091,659</u>	
		4,423,541		5,362,395	
<b>Creditors: amounts falling due within one year</b>	16	<u>(3,649,290)</u>		<u>(4,888,092)</u>	
<b>Net current assets</b>			774,251		474,303
<b>Total assets less current liabilities</b>			<u>854,256</u>		<u>522,626</u>
<b>Provisions for liabilities</b>	17		(11,441)		(4,738)
<b>Net assets</b>			<u>842,815</u>		<u>517,888</u>
<b>Capital and reserves</b>					
Called up share capital	20		30,000		30,000
Profit and loss account	21		<u>812,815</u>		<u>487,888</u>
<b>Shareholders funds</b>			<u>842,815</u>		<u>517,888</u>

The notes on pages 14 to 25 form part of these financial statements.

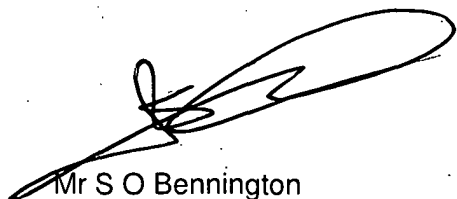
**DEVON CONTRACTORS LIMITED**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**31 MAY 2017**

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These financial statements were approved by the board of directors and authorised for issue on 15.11.17, and are signed on behalf of the board by:



Mr S O Bennington  
Director



Mr D J Hunt  
Director

Company registration number: 00533232

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The notes on pages 14 to 25 form part of these financial statements.

**DEVON CONTRACTORS LIMITED****STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED 31 MAY 2017**

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	Called up share capital	Profit and loss account	Total
	£	£	£
<b>At 1 June 2015</b>	30,000	238,960	268,960
Profit for the year		248,928	248,928
<b>Total comprehensive income for the year</b>	-	248,928	248,928
<b>At 31 May 2016 and 1 June 2016</b>	30,000	487,888	517,888
Profit for the year		324,927	324,927
<b>Total comprehensive income for the year</b>	-	324,927	324,927
<b>At 31 May 2017</b>	30,000	812,815	842,815

**DEVON CONTRACTORS LIMITED****STATEMENT OF CASH FLOWS  
YEAR ENDED 31 MAY 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		324,927	248,928
<i>Adjustments for:</i>			
Depreciation of tangible assets		31,097	21,173
Other interest receivable and similar income		(422)	(747)
Interest payable and similar expenses		8,822	6,310
Gain/(loss) on disposal of tangible assets		(500)	(2,950)
Tax on profit		80,514	62,232
Accrued expenses/(income)		4,145	101,216
<i>Changes in:</i>			
Stocks		500	-
Trade and other debtors		1,177,649	1,050,120
Trade and other creditors		(1,539,762)	(24,825)
Cash generated from operations		86,970	1,461,457
Interest paid		(8,822)	(6,310)
Interest received		422	747
Tax paid		(64,795)	(13,087)
Net cash from operating activities		<u>13,775</u>	<u>1,442,807</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(63,869)	-
Proceeds from sale of tangible assets		1,590	2,950
Net cash (used in)/from investing activities		<u>(62,279)</u>	<u>2,950</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		9,998	(719)
Net cash from/(used in) financing activities		<u>9,998</u>	<u>(719)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		(38,506)	1,445,038
<b>Cash and cash equivalents at beginning of year</b>	15	1,954,616	509,578
<b>Cash and cash equivalents at end of year</b>	15	<u>1,916,110</u>	<u>1,954,616</u>

## **DEVON CONTRACTORS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MAY 2017**

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#### **1. General information**

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Clyst Court, Hill Barton Business Park, Clyst St Mary, Exeter, EX5 1SA.

The principal activity of the company is that of building contracting and civil engineering contracting.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowing or current liabilities.

##### **Related parties**

For the purposes of these financial statements, a party is considered to be related to the Company if the party has the ability, directly or indirectly, through one or more intermediaries, to control the Company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company; the Company and the party are subject to common control; the party is an associate of the Company or a joint venture in which the Company is a venturer, the party is a member of key management personnel of the Company or the Company's parent, or close family members of such individuals; or is an entity under the control, joint control or significant influence of such individuals; or the party is a post-employment benefit plan which is for the benefit of employees of the Company or of any entity that is a related party of the Company.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

## **DEVON CONTRACTORS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **YEAR ENDED 31 MAY 2017**

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#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

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.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

#### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### **Taxation**

The taxation expense represents the aggregate amount of 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 capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.



## **DEVON CONTRACTORS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **YEAR ENDED 31 MAY 2017**

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#### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset 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
Fittings fixtures and equipment	- Straight line basis up to 5 years
Motor vehicles	- Straight line basis over 5 years

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

#### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## **DEVON CONTRACTORS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **YEAR ENDED 31 MAY 2017**

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#### **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.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

#### **4. Turnover**

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**DEVON CONTRACTORS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2017****5. Operating profit**

Operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation of tangible assets	31,097	21,173
(Gain)/loss on disposal of tangible assets	(500)	(2,950)
Cost of stocks recognised as an expense	2,380,831	3,151,938
Operating lease rentals	32,000	32,000
Fees payable for the audit of the financial statements	13,004	11,686
	<u>          </u>	<u>          </u>

**6. Staff costs**

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017	2016
Directors	4	4
Administration	20	20
Labourers	18	18
	<u>      </u>	<u>      </u>
	42	42
	<u>      </u>	<u>      </u>

The aggregate payroll costs incurred during the year were:

	2017	2016
	£	£
Wages and salaries	1,557,790	1,614,039
Social security costs	3	8,693
Other pension costs	64,261	59,962
	<u>      </u>	<u>      </u>
	1,622,054	1,682,694
	<u>      </u>	<u>      </u>

**DEVON CONTRACTORS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2017****7. Directors remuneration**

The directors aggregate remuneration in respect of qualifying services was:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Remuneration	<u>219,455</u>	<u>245,635</u>

The number of directors who accrued benefits under company pension plans was as follows:

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Defined contribution plans	<u>4</u>	<u>4</u>

Remuneration of the highest paid directors in respect of qualifying services:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration	68,240	67,817
Company contributions to pension plans in respect of qualifying services	<u>6,215</u>	<u>4,500</u>
	<u>74,455</u>	<u>72,317</u>

**8. Other interest receivable and similar income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank deposits	<u>422</u>	<u>747</u>

**9. Interest payable and similar expenses**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other interest payable and similar expenses	<u>8,822</u>	<u>6,310</u>

**DEVON CONTRACTORS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2017****10. Tax on profit****Major components of tax expense**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK current tax expense	<u>73,811</u>	<u>64,795</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>6,703</u>	<u>(2,563)</u>
<b>Tax on profit</b>	<u><u>80,514</u></u>	<u><u>62,232</u></u>

**Reconciliation of tax expense**

The tax assessed on the profit for the year is higher than (2016: the same as) the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%).

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<u>405,441</u>	<u>311,160</u>
Profit multiplied by rate of tax	77,034	62,232
Effect of expenses not deductible for tax purposes	825	-
Effect of capital allowances and depreciation	(445)	-
Changes in tax rate from 20% to 19%	3,100	-
<b>Tax on profit</b>	<u><u>80,514</u></u>	<u><u>62,232</u></u>

**DEVON CONTRACTORS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2017****11. Earnings per share****Basic earnings/(loss) per share**

The earnings/(loss) and weighted average number of shares used in the calculation of basic earnings/(loss) per share are as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Profit for the year attributable to the owners of the company	<u>324,927</u>	<u>248,928</u>

**Diluted earnings/(loss) per share**

The earnings/(loss) and weighted average number of shares used in the calculation of diluted earnings/(loss) per share are as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Earnings/(loss) used in calculation of basic earnings/(loss) per share	<u>324,927</u>	<u>248,928</u>

**12. Tangible assets**

	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
At 1 June 2016	111,121	83,993	157,259	352,373
Additions	33,313	22,456	8,100	63,869
Disposals	(1,090)	-	(6,300)	(7,390)
<b>At 31 May 2017</b>	<u>143,344</u>	<u>106,449</u>	<u>159,059</u>	<u>408,852</u>
<b>Depreciation</b>				
At 1 June 2016	110,031	75,975	118,044	304,050
Charge for the year	6,662	9,419	15,016	31,097
Disposals	-	-	(6,300)	(6,300)
<b>At 31 May 2017</b>	<u>116,693</u>	<u>85,394</u>	<u>126,760</u>	<u>328,847</u>
<b>Carrying amount</b>				
<b>At 31 May 2017</b>	<u>26,651</u>	<u>21,055</u>	<u>32,299</u>	<u>80,005</u>
At 31 May 2016	<u>1,090</u>	<u>8,018</u>	<u>39,215</u>	<u>48,323</u>

**DEVON CONTRACTORS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2017****13. Stocks**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Raw materials	<u>-</u>	<u>500</u>

**14. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,190,032	2,409,879
Amounts owed by group undertakings	565,660	565,660
Other debtors	<u>336,895</u>	<u>294,697</u>
	<u>2,092,587</u>	<u>3,270,236</u>

**15. Cash and cash equivalents**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	2,330,954	2,091,659
Bank overdrafts	<u>(414,844)</u>	<u>(137,043)</u>
	<u>1,916,110</u>	<u>1,954,616</u>

**16. Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	414,844	137,043
Trade creditors	2,573,623	4,227,132
Accruals and deferred income	261,017	256,872
Social security and other taxes	139,681	25,934
Director loan accounts	<u>186,314</u>	<u>176,316</u>
	<u>3,649,290</u>	<u>4,888,092</u>

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

# DEVON CONTRACTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MAY 2017

### 17. Provisions

	Deferred tax (note 18)	Total
	£	£
At 1 June 2016	4,738	4,738
Additions	6,703	6,703
<b>At 31 May 2017</b>	<b>11,441</b>	<b>11,441</b>

### 18. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2017	2016
	£	£
Included in provisions (note 17)	11,441	4,738

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017	2016
	£	£
Accelerated capital allowances	11,441	4,738

### 19. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £64,261 (2016: £59,962).

### 20. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No	£	No	£
Ordinary £1 shares shares of £ 1.00 each	30,000	30,000	30,000	30,000

### 21. Reserves

Profit and loss account:

This reserve records retained earnings and accumulated losses.



## DEVON CONTRACTORS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MAY 2017

#### 22. Operating leases

##### The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
Not later than 1 year	1,364	-
Later than 1 year and not later than 5 years	68,310	34,663
	<u>69,674</u>	<u>34,663</u>

#### 23. Contingent assets and 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 as at 31 May 2017 there are £340,044 outstanding (31 May 2016: none). This facility is held in the sole name of Devon Contractors Limited.

#### 24. Directors' loans

During the year the directors entered into the following advances and credits with the company:

	2017		
	Balance brought forward	Advances /(credits) to the directors	Balance o/standing
	£	£	£
Directors	<u>(176,316)</u>	<u>(9,998)</u>	<u>(186,314)</u>
	2016		
	Balance brought forward	Advances /(credits) to the directors	Balance o/standing
	£	£	£
Directors	<u>(177,035)</u>	<u>719</u>	<u>(176,316)</u>

The loans from directors are subject to interest at a rate of 3% above the Bank of England base rate.

## **DEVON CONTRACTORS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **YEAR ENDED 31 MAY 2017**

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#### **25. Related party transactions**

At the year end, Devon Contractors Limited was owed £565,660 (31 May 2016: £565,660) from its parent company. The loans are interest free and repayable on demand.

During the year Devon Contractors Limited paid a company controlled by the directors of the parent company £32,000 (31 May 2016: £32,000) for rental services in the year and £298 (31 May 2016: £298) in respect of other services. Devon Contractors also invoiced the same company £120,000 for general maintenance and management costs during the year (31 May 2016 £NIL).

At the year end, a company controlled by the directors of the parent company owed Devon Contractors Limited £336,895 (31 May 2016: £205,579). This loan is interest free and repayable on demand.

A company that is 50% owned by a company which is controlled by the directors of the parent company of Devon Contractors Limited, was incorporated during the year. At the year end, unbilled work in progress of £1,688 (31 May 2016: £395,477) was owed to Devon Contractors Limited. A total of £571,213 has been invoiced to the company in the year for work done in the normal course of business (31 May 2016 £NIL).

#### **26. Ultimate parent undertaking**

The directors regard Grindlebrook Limited, a company registered in England whose registered office is Vantage Point, Woodwater Park, Pynes Hill, Exeter, Devon EX2 5FD, as the ultimate parent company.

After the year end Grindlebrook Limited went into voluntary administration and Devon Contractors Limited repurchased 15,000 of their own shares for a consideration of £375,580 from them.