Financial Statements
Vascroft Contractors Limited

For the year ended 31 August 2012

Registered number: 01293674

Company Information

Directors	Mr S K Vekaria Mr A K Vekaria
Company secretary	Mr A K Vekaria
Company number	01293674
Registered office	Vascroft Estate 861 Coronation Road Park Royal London NW10 7PT
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditors Grant Thornton House Melton Street Euston Square London NW1 2EP
Bankers	HSBC 69 Park Royal Road Park Royal London NW10 7JR
Solicitors	Clarkslegal LLP One Forbury Square The Forbury Reading RG1 3EB

Contents

Directors' report
For the year ended 31 August 2012

The directors present their report and the financial statements for the year ended 31 August 2012

Principal activities

The principal activity of the company during the year remains that of building contractors It has been involved with special construction and refurbishment of hotels, restaurants and luxurious homes since incorporation in January 1977

Business review

The company has achieved a high profile reputation since inception and aims to maintain this into the next financial year by continuing to provide its excellence in service during these challenging times which face the sector in general The company stands by its mission of 'Achieving Excellence in Construction'

Outlook and future developments

The company has a good portfolio of secured projects and as such currently enjoys a healthy order book We are placing a major emphasis on securing further top-end hotels projects and luxurious residential housing projects We plan to exploit these key areas further due to our high reputation in the sector This has been achieved by having a good track record with existing clients As a result, we have repeat clients who now prefer to use us as their only contractor and recommend us to their fellow hoteliers The company is well equipped and boasts enough experience to handle these projects as it employs specialist staff in this area

The company completed a restructuring exercise in October 2011 whereby the Directors and Shareholders decided to separate the trading business from the property businesin order to enable management of the trading business to fully focus on the trading activities A holding company was formed, Vascroft Holdings Limited, that owns 100% of Vascroft Contractors Limited (the trading entity) and Vascroft Estates Limited (the property entity)

Vision, mission and values

Our vision is to deliver excellence We want to be leaders in our market place by delivering completed projects on time and to budget

The guiding principles behind the growth of Vascroft Contractors Limited have been to provide quality, value, experience, partnership, service excellence and consistency Living and working by these principles is at the heart of our success Coupled with our commitment to putting our customers' needs first, we derive great pleasure in exceeding their expectations

We strive to offer an unbeatable range of advisory, construction and refurbishment services and thrill at taking on challenges that have defeated others Providing a truly integrated one stop shop solution for clients, our approach to all of these challenges has remained consistent over the decades

A team of approximately 150 professionals is also integral to our success Our craftsmen are undoubtedly our greatest assets They are committed to putting our customers' needs first and all share a passion for building Many of them have been with us for years and they know it's more important to do what's right rather than what's easy We know it's important to employ the best because, that way, we deliver the best

We provide continuous staff development through training, seminars and exhibitions This ensures our staff are up to date with current legislation, technological changes and modern methods of construction

Directors' report

For the year ended 31 August 2012

Key performance indicators

The company's key performance indicators are revenue and margin These allow the directors and management to monitor the growth as well as the profitability of the company Turnover for the year generated from the principal business activities amounted to £50 3m This is 26% growth from last year and is in line with the high expectation set by the board The directors consider these performance indicators to be satisfactory The company maintains an order book which currently stands at £40 5m detailing all future secured jobs which is used as an indicator of future business activity levels

Results and dividends

The profit for the year, after taxation, amounted to £2,094,955 (2011 - £1,431,535)

During the year the company paid a dividend of £2,525,000 (2011 £440,800)

Financial risk management objectives and policies

The company uses various financial instruments including cash and various items which arise directly from its operations such as trade debtors, trade creditors and a bank loan The main purpose of these are to raise working capital and carry out business operations

The main risks arising from the company's financial instruments are market risk, liquidity risk, interest rate risk and credit risk The directors review and agree policies for managing each of these risks and they are summarised below

Market risk

Market risk encompasses two types of risk being fair value interest rate risk and price risk The company's policy for managing cash flow interest rate risk is set out in the subsection entitled 'interest rate risk' below

Price risk

Price risk mainly arises from the time delay between the start of a tendering process for any materials to when they are actually purchased This risk is mitigated by factoring inflation rate into tender prices for any project Any increase in the price of materials is notified to the company by our specialist buyer and suppliers in advance

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available through an overdraft facility to meet foreseeable needs at any given point The directors review weekly cash reports which enable them to plan accordingly for any significant expenditure

Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings The borrowings bear interest at a floating rate and the company's interest expense is therefore affected by movements in interest rates

Credit risk

The company's principal financial assets are trade debtors and the principal credit risk arises from these trade debtors

In order to manage credit risk the directors have introduced a credit checking facility by subscribing to an independent agency This provides all financial details and trading history needed to consider risk associated with new clients and especially with fast track projects e g restaurants On larger projects invoices are raised on a monthly basis and collection made accordingly The company also seeks deposits upfront for some projects

Directors

The directors who served during the year were

Mr S K Vekaria
Mr A K Vekaria

Directors' responsibilities statement

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 period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

Directors' report
For the year ended 31 August 2012

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Property revaluation

Park Royal's unique status as the main industrial location within London has ensured that the demand for properties has remained more resilient than other regions The Directors have reviewed this position and are of the opinion that the property owned by the company (the Head office) has not had any significant changes since the last valuation (2011) The other properties were transferred to Vascroft Estates Limited as part of the restructuring exercise

Donations

Charitable donations in the year amounted to £269,141 (2011 £134,695)

During the year the company made political donations of £5,000 (2011 £nil)

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board and signed on its behalf

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Mr A K Vekaria
Secretary

Date 30 November 2012

GrantThornton

Independent auditor's report to the members of Vascroft Contractors Limited

We have audited the financial statements of Vascroft Contractors Limited for the year ended 31 August 2012, which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet 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 Auditor's 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 (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www frc org uk/apb/scope/private cfm

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 August 2012 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 members of Vascroft Contractors Limited

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

Grant Thornton UK LLP

Amrish Shah FCA (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditors
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

30 November 2012

Profit and loss account

For the year ended 31 August 2012

	Note	2012 £	2011 £
Turnover	1,2	**50,317,128**	40,042,361
Cost of sales		**(43,673,202)**	(34,947,634)
Gross profit		**6,643,926**	5,094,727
Administrative expenses		**(3,901,973)**	(3,306,667)
Other operating income	3	**107,355**	186,786
Operating profit	4	**2,849,308**	1,974,846
Net loss on sale of tangible fixed assets	9	**(3,820)**	(401)
Profit on ordinary activities before interest		**2,845,488**	1,974,445
Interest receivable and similar income		**2,035**	20,515
Interest payable and similar charges	8	**(48,605)**	(38,729)
Profit on ordinary activities before taxation		**2,798,918**	1,956,231
Tax on profit on ordinary activities	10	**(703,963)**	(524,696)
Profit for the financial year		**2,094,955**	1,431,535

All amounts relate to continuing operations

The notes on pages 11 to 24 form part of these financial statements

Statement of total recognised gains and losses
For the year ended 31 August 2012

	Note	2012 £	2011 £
Profit for the financial year		**2,094,955**	1,431,535
Unrealised deficit on revaluation of tangible fixed assets		-	(1,160,000)
Total recognised gains and losses relating to the year		**2,094,955**	271,535

Note of historical cost profits and losses
For the year ended 31 August 2012

	2012 £	2011 £
Reported profit on ordinary activities before taxation	**2,798,918**	1,956,231
Realisation of valuation gains of previous periods	**937,658**	-
Historical cost profit on ordinary activities before taxation	**3,736,576**	1,956,231
Historical profit for the year after taxation	**3,032,613**	1,431,535

The notes on pages 11 to 24 form part of these financial statements

Balance sheet

As at 31 August 2012

	Note		2012		2011
		£	£	£	£
Fixed assets					
Tangible assets	11		**4,880,053**		6,388,453
Current assets					
Debtors amounts falling due after more than one year	12	**2,217,950**		1,189,593	
Debtors amounts falling due within one year	12	**8,818,102**		8,759,450	
Cash at bank		**231,896**		224,146	
		11,267,948		10,173,189	
Creditors: amounts falling due within one year	13	**(8,490,367)**		(9,207,998)	
Net current assets			**2,777,581**		965,191
Total assets less current liabilities			**7,657,634**		7,353,644
Creditors: amounts falling due after more than one year	14		**(2,095,018)**		(1,245,434)
Provisions for liabilities					
Deferred tax	15	**(108,227)**		(98,008)	
Other provisions	16	**(948,500)**		(1,074,268)	
			(1,056,727)		(1,172,276)
Net assets			**4,505,889**		4,935,934
Capital and reserves					
Called up share capital	19		**55,100**		55,100
Revaluation reserve	20		**1,129,340**		2,066,998
Other reserves	20		**8,269**		8,269
Profit and loss account	20		**3,313,180**		2,805,567
Shareholders' funds	21		**4,505,889**		4,935,934

Balance sheet (continued)

As at 31 August 2012

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 November 2012

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Mr A K Vekaria
Director

The notes on pages 11 to 24 form part of these financial statements

Notes to the financial statements
For the year ended 31 August 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with applicable accounting standards

The directors have reviewed the principal accounting policies of the company and consider that they remain the most appropriate for the company The accounting policies have remained unchanged

1 2 Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts

In respect of long-term contracts, turnover represents the value of the work done in the year, including estimates of amounts not invoiced and is recognised by reference to the stage of completion of each contract, once their outcome can be assessed with reasonable certainty The profit recognised reflects the proportion of work completed to the balance sheet date on each project

Full provision is made for losses estimated by the directors on all contracts in the year in which the loss is first foreseen Such estimates are based upon the directors' experience and relevant professional advice

1 3 Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) "Cash flow statements" from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and the parent produces a consolidated cash flow statement

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & Machinery	-	10% reducing balance
Motor Vehicles	-	25% reducing balance
Fixtures & Fittings	-	15% reducing balance

Notes to the financial statements
For the year ended 31 August 2012

1. Accounting policies (continued)

1.5 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date A full valuation is obtained from a qualified valuer for each investment property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account

Depreciation is not provided in respect of the properties This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives Assets acquired by hire purchase are depreciated over their useful lives Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Notes to the financial statements

For the year ended 31 August 2012

1. Accounting policies (continued)

1 8 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.10 Pensions

Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of the directors and senior employees The assets of the scheme are administered by trustees in a fund independent from those of the company

The pension costs are charged against profits and represent the amount of the contributions payable to the scheme in respect of the accounting period

Notes to the financial statements

For the year ended 31 August 2012

1. Accounting policies (continued)

1.11 Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

1.12 Going Concern

The directors have prepared the financial statements under the going concern concept, as they believe the company has sufficient funding to be able to meet its liabilities as and when they fall due for the foreseeable future, being a period of not less than twelve months from the date of approval of these financial statements This takes into consideration the availability of working capital through banking facilities In addition, consideration has been given to cash which is to be generated from a pipeline of future projects in order to improve the working capital position of the company

2. Turnover

Turnover is attributable to the one principal activity of the company

All turnover arose within the United Kingdom

3. Other operating income

	2012	2011
	£	£
Rent receivable	107,355	186,786

Notes to the financial statements

For the year ended 31 August 2012

4. Operating profit

The operating profit is stated after charging

	2012	2011
	£	£
Depreciation of tangible fixed assets		
- owned by the company	**90,946**	90,069
- held under finance leases	**9,392**	16,168
Operating lease rentals		
- plant and machinery	**8,974**	8,012
Difference on foreign exchange	**12,234**	-

5. Auditors' remuneration

	2012	2011
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	**16,750**	16,750

6. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012	2011
	£	£
Wages and salaries	**4,945,132**	4,865,672
Social security costs	**510,956**	490,053
Other pension costs	**404,504**	348,600
	5,860,592	5,704,325

The average monthly number of employees, including the directors, during the year was as follows

	2012	2011
	No	No
Number of production staff	**104**	110
Number of administrative staff	**46**	44
Number of management staff	**2**	2
	152	156

Notes to the financial statements
For the year ended 31 August 2012

7. Directors' remuneration

	2012	2011
	£	£
Emoluments	**300,000**	476,000
Company pension contributions to defined contribution pension schemes	**-**	60,000

During the year no retirement benefits were accruing to the directors (2011 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £150,000 (2011 - £238,000)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2011 - £30,000)

8. Interest payable

	2012	2011
	£	£
On bank loans and overdrafts	**1,763**	16,199
On other loans	**46,488**	21,036
On finance leases and hire purchase contracts	**354**	1,494
	48,605	38,729

9. Loss on disposal of fixed assets

	2012	2011
	£	£
Loss on disposal of fixed assets	**3,820**	401

Notes to the financial statements

For the year ended 31 August 2012

10. Taxation

	2012	2011
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	**693,744**	518,810
Deferred tax (see note 15)		
Origination and reversal of timing differences	**10,219**	5,886
Tax on profit on ordinary activities	**703,963**	524,696

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 25 17% (2011 - 27 17%) The differences are explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	**2,798,918**	1,956,231
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25 17% (2011 - 27 17%)	**704,394**	531,508
Effects of		
Expenses not deductible for tax purposes	**3,057**	489
Capital allowances for year in excess of depreciation	**(13,361)**	(13,026)
Group relief	**(271)**	-
Sundry tax adjusting items	**(75)**	(161)
Current tax charge for the year (see note above)	**693,744**	518,810

Notes to the financial statements

For the year ended 31 August 2012

11. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 September 2011	**5,842,450**	**515,707**	**296,917**	**275,578**	**6,930,652**
Additions	**-**	**102,375**	**52,833**	**-**	**155,208**
Disposals	**(1,542,450)**	**-**	**(69,461)**	**-**	**(1,611,911)**
At 31 August 2012	**4,300,000**	**618,082**	**280,289**	**275,578**	**5,473,949**
Depreciation					
At 1 September 2011	**-**	**271,398**	**125,910**	**144,891**	**542,199**
Charge for the year	**-**	**34,671**	**46,064**	**19,603**	**100,338**
On disposals	**-**	**-**	**(48,641)**	**-**	**(48,641)**
At 31 August 2012	**-**	**306,069**	**123,333**	**164,494**	**593,896**
Net book value					
At 31 August 2012	**4,300,000**	**312,013**	**156,956**	**111,084**	**4,880,053**
At 31 August 2011	5,842,450	244,309	171,007	130,687	6,388,453

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2012 £	2011 £
Motor vehicles	**8,453**	37,570

Depreciation charged to the financial statements in the year in respect of such assets amounted to £9,392 (2011 - £16,168)

Notes to the financial statements

For the year ended 31 August 2012

External valuations were carried out in respect of the freehold properties at 861 Coronation Road, 4a/4b Coronation Road, 6a Coronation Road and 174/176 High Road, by Jones Lang LaSalle in March 2008 The basis of the valuations was open market value which was deemed to equate to existing use value at 31 August 2008 The surplus was transferred to the revaluation reserve in the year to 31 August 2008 During the year to 31 August 2009 an internal valuation was carried out, and the deficit was transferred from the revaluation reserve

In the current year all investment properties were transferred at book value to Vascroft Estates Limited, a group company The surplus on these properties was therefore transferred to the profit and loss reserve

In July 2011 an external valuation was carried out on the remaining property, 861 Coronation Road, and this confirmed the current value is still appropriate

Cost or valuation at 31 August 2012 is as follows

	Land and buildings
	£
At cost	**3,170,660**
Valuation	**1,129,340**
	4,300,000

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2012	2011
	£	£
Cost	**3,170,660**	3,775,452
Accumulated depreciation	-	-
Net book value	**3,170,660**	3,775,452

Notes to the financial statements

For the year ended 31 August 2012

12. Debtors

	2012	2011
	£	£
Due after more than one year		
Amounts owed by group undertakings	**1,507,951**	-
Other debtors	**709,999**	1,189,593
	2,217,950	1,189,593

	2012	2011
	£	£
Due within one year		
Trade debtors	**4,383,561**	6,016,463
Other debtors	**2,622,999**	390,751
Prepayments and accrued income	**161,424**	143,883
Amounts recoverable on long term contracts	**1,650,118**	2,208,353
	8,818,102	8,759,450

The trade debtors together with other debtors of £2,363,341 (2011 £1,506,419) relate to amounts recoverable on contracts

13. Creditors: Amounts falling due within one year

	2012	2011
	£	£
Bank loans and overdrafts	**1,172,885**	2,259,372
Net obligations under finance leases and hire purchase contracts	**1,978**	4,050
Trade creditors	**2,275,461**	1,753,086
Corporation tax	**247,794**	518,810
Social security and other taxes	**288,364**	302,371
Accruals and deferred income	**4,503,885**	4,370,309
	8,490,367	9,207,998

Notes to the financial statements
For the year ended 31 August 2012

14. Creditors: Amounts falling due after more than one year

	2012	2011
	£	£
Bank loans	1,705,928	485,193
Net obligations under finance leases and hire purchase contracts	-	1,977
Trade creditors	389,090	758,264
	2,095,018	1,245,434

Included within the above are amounts falling due as follows

	2012	2011
	£	£
Between one and two years		
Bank loans	641,610	485,193
Over five years		
Bank loans	1,064,318	-

Creditors include amounts not wholly repayable within 5 years as follows

	2012	2011
	£	£
Repayable by instalments	1,064,318	-

The above loan is repyable over 10 years, and interest is charged at 2 03% per annum over the Bank's Sterling Base Rate

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2012	2011
	£	£
Between one and five years	-	1,977

The bank loans and overdrafts amounting to £2,878,813 (2011 £2,744,565) are secured by a charge on the freehold property

15. Deferred taxation

	2012	2011
	£	£
At beginning of year	98,008	92,122
Charge for year	10,219	5,886
At end of year	108,227	98,008

Notes to the financial statements
For the year ended 31 August 2012

15. Deferred taxation (continued)

The provision for deferred taxation is made up as follows

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	**108,227**	98,008

16. Provisions

	Provision
	£
At 1 September 2011	**1,074,268**
Released	**(125,768)**
At 31 August 2012	**948,500**

Provision

The provision relates to the anticipated liquidated damages in respect of contract extensions These provisions are the directors' best estimate of the amounts payable

17. Pension commitments

The company operates a defined contributions pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The pension cost charge represents contributions payable by the company to the fund and amounted to £404,504 (2011 - £288,600) Contributions totalling £nil (2011 - £nil) were payable to the fund at the balance sheet date

18. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 'Related Party Disclosures' from the requirement to disclose transactions with group companies where 100% of the voting rights are controlled within the group

Notes to the financial statements
For the year ended 31 August 2012

19. Share capital

	2012 £	2011 £
Authorised		
100,000 Ordinary shares of £1 each	**100,000**	100,000
Allotted, called up and fully paid		
55,100 Ordinary shares of £1 each	**55,100**	55,100

20. Reserves

	Revaluation reserve £	Other reserves £	Profit and loss account £
At 1 September 2011	2,066,998	8,269	2,805,567
Profit for the year	-	-	2,094,955
Dividends Equity capital	-	-	(2,525,000)
Transfer between Revaluation reserve and profit and loss account	(937,658)	-	937,658
At 31 August 2012	1,129,340	8,269	3,313,180

21. Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	**4,935,934**	5,105,199
Profit for the year	**2,094,955**	1,431,535
Dividends (Note 22)	**(2,525,000)**	(440,800)
Other recognised gains and losses during the year	**-**	(1,160,000)
Closing shareholders' funds	**4,505,889**	4,935,934

22. Dividends

	2012 £	2011 £
Dividends paid on equity capital	**2,525,000**	440,800

Notes to the financial statements

For the year ended 31 August 2012

23. Ultimate parent undertaking and controlling party

As at 31 August 2012, the ultimate parent company and controlling party is Vascroft Holdings Limited, a company incorporated in England and Wales, by virtue of its 100% shareholding of the company The shares were all acquired during the year

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Vascroft Holdings Limited