

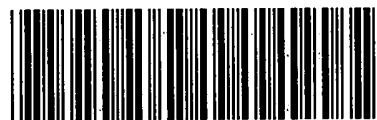
Registered number: 01747406

# CHARTER CONSTRUCTION PLC

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 MARCH 2016

WEDNESDAY



\*A5FZ9DJ5\*

A08

21/09/2016

#273

COMPANIES HOUSE

<b>CHARTER CONSTRUCTION PLC</b>
---------------------------------

---

**COMPANY INFORMATION**

---

**Directors**

Mr P Bacon  
Mr A Bennett  
Mr C Sainty  
Mr F Wahab (appointed 1 April 2015)

**Registered number**

01747406

**Registered office**

1 - 9 St. Anns Road  
Harrow  
Middlesex  
HA1 1LQ

---

## CHARTER CONSTRUCTION PLC

---

### CONTENTS

---

	Page
Reference and administrative details of the charity, its trustees and advisers	
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8 - 9
Statement of cash flows	10
Notes to the financial statements	11 - 25

# CHARTER CONSTRUCTION PLC

## STRATEGIC REPORT FOR THE YEAR ENDED 30 MARCH 2016

### Introduction

The Directors present the annual accounts for the year ended 30 March 2016.

### Business review

The Directors are disappointed to report that the results set out in these accounts reflect an abnormal below average performance during the year. This is as a direct consequence of extraordinary circumstances on two major projects, the impact of which has recognised the first trading loss in eight years. We have also taken into consideration several projects which have recently been completed or are nearing completion which were secured during a particularly competitive period.

We have taken a prudent view on these projects and we do not expect to carry any of these losses into the next financial year. The overall effect of the above however is to leave the company with a negative balance sheet.

The Directors are nonetheless pleased to record that the Company has increased its turnover whilst securing current and future business with new blue chip Clients and anticipate a further increase in turnover for the forthcoming year.

The Company's principal activities during the year continued to be new building construction, the refurbishment and fitting out of offices, educational and medical establishments, specialist construction and refurbishment of high quality residences together with an increasing number of general design and build projects.

The Company's immediate ambition is to maintain a controlled increase in turnover whilst seeking to enhance management resources and Company infrastructure such as to provide opportunity for further growth in the medium term. The Company however remains committed to maintaining profitability therefore future expansion must be on the basis that the additional risk inextricably linked to additional workload is properly balanced to ensure both increased profitability and the high quality of our work is maintained.

The repeat business that we continue to secure from our regular and established Clients together with the financial strategy of remaining free from any form of Bank borrowings continues to provide a sound platform to promote the steady growth of the Company.

The secured turnover for the financial year 2016/2017 is already in excess of £12.0m (as at June 2016). It is therefore fully anticipated that with the current level of tenders we are receiving from our regular Clients together with other enquiries generated by our marketing strategy that we should be able to substantially exceed last year's turnover.

The Board will continue to target and price work that is both suitable and economically viable for the Company.

The Directors would like to once again record their gratitude and appreciation to all of the Company's loyal and dedicated staff who have continued to contribute to the success of the business throughout this and previous years.

This report was approved by the board on *14th September 2016* and signed on its behalf.



**Mr A Bennett**  
Director

---

## CHARTER CONSTRUCTION PLC

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 MARCH 2016

---

The Directors present their report and the financial statements for the year ended 30 March 2016.

#### Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting 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; 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.

#### Results and dividends

The loss for the year, after taxation, amounted to £1,481,063 (2015 - profit £354,429).

The Directors do not recommend payment of a dividend (2015: £nil).

#### Directors

The Directors who served during the year and their interests in the Company's issued share capital were:

	Ordinary Shares shares of £1 each	
	30/3/16	31/3/15
Mr P Bacon	55,200	55,200
Mr A Bennett	52,300	52,300
Mr C Sainty	68,500	68,500
Mr F Wahab (appointed 1 April 2015)	-	-

---

**CHARTER CONSTRUCTION PLC**

---

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 MARCH 2016**

---

**Future developments**

The Directors propose to continue the development of the Company seeking controlled growth in activities, relative to the circumstances of the prevailing market conditions.

**Disclosure 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 relevant audit information and to establish that the Company's auditor is aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

Under section 487(2) of the Companies Act 2006, Hillier Hopkins 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 on *14th September 2016* and signed on its behalf.



**Mr A Bennett**  
Director

---

## CHARTER CONSTRUCTION PLC

---

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHARTER CONSTRUCTION PLC

---

We have audited the financial statements of Charter Construction Plc for the year ended 30 March 2016, set out on pages 6 to 25. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 on page 2, 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 Financial Reporting Council'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 30 March 2016 and of its profit or 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.

#### Emphasis of matter

The accompanying financial statements have been prepared assuming that the company will continue as a going concern. As discussed in Note 2.2 to the financial statements, the Directors believe that the Company will be able to meet its liabilities as they fall due, and have prepared cash flow forecasts covering a period of not less than 12 months from the date of signing these financial statements to substantiate that assertion.

---

## CHARTER CONSTRUCTION PLC

---

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHARTER CONSTRUCTION PLC

---

The financial statements do not include any adjustments that might result from the application of the going concern assumption not being appropriate.

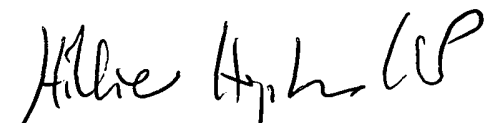
#### Opinion on other matter prescribed by the Companies Act 2006

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 those accounts.

#### 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.



Richard Malone (ACA) (Senior statutory auditor)

for and on behalf of  
**Hillier Hopkins LLP**

Chartered Accountants  
Statutory Auditor

Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

Date:

16/9/16



**CHARTER CONSTRUCTION PLC**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 MARCH 2016**

	Note	2016 £	2015 £
Turnover	3	15,918,091	13,158,244
Cost of sales		(15,992,976)	(11,443,551)
<b>Gross (loss)/profit</b>		<b>(74,885)</b>	<b>1,714,693</b>
Administrative expenses		(1,400,132)	(1,356,463)
<b>Operating (loss)/profit</b>	4	<b>(1,475,017)</b>	<b>358,230</b>
Interest payable and expenses	8	(6,046)	(3,040)
<b>(Loss)/profit before tax</b>		<b>(1,481,063)</b>	<b>355,190</b>
Tax on (loss)/profit	9	-	(761)
<b>(Loss)/profit for the year</b>		<b>(1,481,063)</b>	<b>354,429</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>(1,481,063)</b>	<b>354,429</b>

**CHARTER CONSTRUCTION PLC**  
**REGISTERED NUMBER: 01747406**

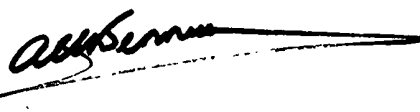
**BALANCE SHEET**  
**AS AT 30 MARCH 2016**

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	10		29,046		41,258
			<u>29,046</u>		<u>41,258</u>
<b>Current assets</b>					
Stocks	12	-		225,461	
Debtors: amounts falling due within one year	13	2,960,609		2,237,152	
Cash at bank and in hand	14	536,471		282,779	
			<u>3,497,080</u>	<u>2,745,392</u>	
Creditors: amounts falling due within one year	15	(4,920,088)		(2,699,549)	
<b>Net current (liabilities)/assets</b>			<u>(1,423,008)</u>		<u>45,843</u>
<b>Total assets less current liabilities</b>			<u>(1,393,962)</u>		<u>87,101</u>
<b>Net assets</b>			<u>(1,393,962)</u>		<u>87,101</u>
<b>Capital and reserves</b>					
Called up share capital	18		405,800		405,800
Share premium account	19		8,440		8,440
Profit and loss account	19		(1,808,202)		(327,139)
			<u>(1,393,962)</u>		<u>87,101</u>

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

14<sup>th</sup> September 2016

Mr A Bennett  
Director



Mr F Wahab  
Director



The notes on pages 11 to 25 form part of these financial statements.

**CHARTER CONSTRUCTION PLC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 MARCH 2016**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 31 March 2015	405,800	8,440	(327,139)	87,101
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(1,481,063)	(1,481,063)
Actuarial gains on pension scheme	-	-	-	-
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(1,481,063)	(1,481,063)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 30 March 2016</b>	<b>405,800</b>	<b>8,440</b>	<b>(1,808,202)</b>	<b>(1,393,962)</b>

**CHARTER CONSTRUCTION PLC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 MARCH 2015**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 31 March 2014	405,800	8,440	(681,568)	(267,328)
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	354,429	354,429
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	354,429	354,429
<b>Total transactions with owners</b>	-	-	-	-
<b>At 30 March 2015</b>	<b>405,800</b>	<b>8,440</b>	<b>(327,139)</b>	<b>87,101</b>

The notes on pages 11 to 25 form part of these financial statements.

**CHARTER CONSTRUCTION PLC**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 MARCH 2016**

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	(1,481,063)	354,429
<b>Adjustments for:</b>		
Depreciation of tangible assets	15,785	14,686
Interest paid	6,046	3,039
Taxation	-	761
Decrease/(increase) in stocks	225,461	(255,461)
(Increase) in debtors	(723,459)	(61,376)
Increase/(decrease) in creditors	2,220,539	(41,933)
<b>Net cash generated from operating activities</b>	<u>263,309</u>	<u>14,145</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(3,572)	(3,922)
HP interest paid	(6,046)	-
<b>Net cash from investing activities</b>	<u>(9,618)</u>	<u>(3,922)</u>
Cash and cash equivalents at beginning of year	282,779	272,556
<b>Cash and cash equivalents at the end of year</b>	<u><u>536,470</u></u>	<u><u>282,779</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	536,471	282,779
	<u><u>536,471</u></u>	<u><u>282,779</u></u>

---

## CHARTER CONSTRUCTION PLC

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2016

---

#### 1. General information

Charter Construction is a Public Limited Company, incorporated in England and Wales. The registered office is disclosed on the first page of these financial statements.

The principal activity of business of Charter Construction Plc is development of building projects and construction of commercial and domestic buildings.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 25.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note ).

The following principal accounting policies have been applied:

##### 2.2 Going concern

The Directors believe, notwithstanding the loss for the year and net liabilities balance sheet position, that it is appropriate for these financial statements to be prepared on a going concern basis.

They consider that the specific condition resulting in the loss for the year are isolated to a small number of projects, for which the pricing was misjudged. A revised process has been implemented following the results on these projects to ensure that losses such as these are not repeated in the future.

The Directors have prepared detailed cash flow forecasts for a period of not less than 12 months from the date of signing these financial statements. These show that the company should be able to meet its liabilities as they fall due.

---

---

## CHARTER CONSTRUCTION PLC

---

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2016

---

#### 2. Accounting policies (continued)

##### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold Improvements	-	20%
Plant and machinery	-	33%
Fixtures and fittings	-	20% to 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

---

## CHARTER CONSTRUCTION PLC

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2016

---

#### 2. Accounting policies (continued)

##### 2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

##### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.7 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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

##### 2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 MARCH 2016

---

**2. Accounting policies (continued)**

**2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.10 Finance costs**

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.11 Operating leases: the Group as lessee**

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

**2.12 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.13 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

**2.14 Borrowing costs**

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

# CHARTER CONSTRUCTION PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2016

### 2. Accounting policies (continued)

#### 2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 3. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Class 1	15,918,091	13,158,244
	<u>15,918,091</u>	<u>13,158,244</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	15,918,091	13,158,244
	<u>15,918,091</u>	<u>13,158,244</u>

All turnover arose within the United Kingdom.

# CHARTER CONSTRUCTION PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2016

### 4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	15,784	14,686
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	14,729	24,850
Defined contribution pension cost	298,784	239,662
	<u>298,784</u>	<u>239,662</u>

### 5. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	14,729	24,850
	<u>14,729</u>	<u>24,850</u>

### 6. Employees

Staff costs, including Directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	1,546,692	1,387,121
Social security costs	213,094	171,778
Cost of defined contribution scheme	298,784	239,662
	<u>2,058,570</u>	<u>1,798,561</u>

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

	2016 No.	2015 No.
Management and administration	24	26
Site operatives	11	10
	<u>35</u>	<u>36</u>

# CHARTER CONSTRUCTION PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2016

### 7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	309,228	270,435
Directors pension costs - defined contrib'n sch.	78,367	54,472
	<u>387,595</u>	<u>324,907</u>

During the year retirement benefits were accruing to 3 Directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £98,274 (2015 - £94,270).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £26,280 (2015 - £26,015).

### 8. Interest payable and similar charges

	2016 £	2015 £
Finance leases and hire purchase contracts	6,046	3,040
	<u>6,046</u>	<u>3,040</u>

### 9. Taxation

	2016 £	2015 £
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	761
<b>Total deferred tax</b>	<u>-</u>	<u>761</u>
<b>Taxation on profit on ordinary activities</b>	<u>-</u>	<u>761</u>

---

**CHARTER CONSTRUCTION PLC**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 MARCH 2016**

---

**9. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<b>(1,481,063)</b>	355,190
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	<b>(296,213)</b>	71,038
<b>Effects of:</b>		
Capital allowances for year in excess of depreciation	-	(89)
Utilisation of tax losses	-	(71,148)
Short term timing difference leading to an increase (decrease) in taxation	-	2,707
Other timing differences leading to an increase (decrease) in taxation	-	(2,508)
Unrelieved tax losses carried forward	<b>296,213</b>	-
Deferred tax	-	761
<b>Total tax charge for the year</b>	<b>-</b>	<b>761</b>

**Factors that may affect future tax charges**

On 8 July 2015 the Chancellor of the Exchequer announced a reduction in the main rate of UK corporation tax to 19 per cent with effect from 1 April 2017 and 18 per cent with effect from 1 April 2020. These changes were substantively enacted on 26 October 2015.

**CHARTER CONSTRUCTION PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 MARCH 2016**

**10. Tangible fixed assets**

	Freehold property £	Leasehold Improvements £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 31 March 2015	2	48,927	70,717	28,480	148,126
Additions	-	-	-	3,572	3,572
At 30 March 2016	2	48,927	70,717	32,052	151,698
<b>Depreciation</b>					
At 31 March 2015	-	19,571	70,717	16,580	106,868
Charge owned for the period	-	9,784	-	6,000	15,784
At 30 March 2016	-	29,355	70,717	22,580	122,652
<b>Net book value</b>					
At 30 March 2016	2	19,572	-	9,472	29,046
At 30 March 2015	2	29,356	-	11,900	41,258

The net book value of land and building may be further analysed as follows:

	2016 £	2015 £
Freehold	2	2
Short leasehold	19,572	29,356
	<b>19,574</b>	<b>29,358</b>

# CHARTER CONSTRUCTION PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2016

### 11. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 31 March 2015	250
At 30 March 2016	250
<b>Impairment</b>	
At 31 March 2015	250
At 30 March 2016	250
At 30 March 2016	-
At 30 March 2015	-

### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Wallace Builders Limited	United Kingdom	Ordinary	100 %	Dormant entity

# CHARTER CONSTRUCTION PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2016

### 12. Stocks

	2016 £	2015 £
Long term contract balances	-	225,461
	<u>-</u>	<u>225,461</u>

Long term contract balances consist of:

	2016 £	2015 £
Costs to date less provision for losses	-	225,461
	<u>-</u>	<u>225,461</u>

### 13. Debtors

	2016 £	2015 £
Trade debtors	2,723,481	2,132,946
Other debtors	184,292	47,007
Prepayments and accrued income	49,405	53,768
Deferred taxation	3,431	3,431
	<u>2,960,609</u>	<u>2,237,152</u>

### 14. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	536,471	282,779
	<u>536,471</u>	<u>282,779</u>



# CHARTER CONSTRUCTION PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2016

### 15. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	3,299,966	1,417,067
Taxation and social security	154,023	58,845
Other creditors	31,543	37,456
Accruals and deferred income	1,434,556	1,186,181
	<u>4,920,088</u>	<u>2,699,549</u>

### 16. Financial instruments

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	536,471	282,779
Financial assets that are debt instruments measured at amortised cost	2,907,775	2,179,954
	<u>3,444,246</u>	<u>2,462,733</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(4,766,065)	(2,640,704)
	<u>(4,766,065)</u>	<u>(2,640,704)</u>
Financial assets measured at amortised cost comprise...		
Financial Liabilities measured at amortised cost comprise...		

### 17. Deferred taxation

	2016 £	2015 £
At beginning of year	3,431	4,192
Charged to the profit or loss	-	(761)
<b>At end of year</b>	<u>3,431</u>	<u>3,431</u>

# CHARTER CONSTRUCTION PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2016

### 17. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	3,431	3,431
	<u>3,431</u>	<u>3,431</u>

### 18. Share capital

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
405,800 Ordinary Shares shares of £1 each	<u>405,800</u>	<u>405,800</u>

### 19. Reserves

#### Share premium

Share premium account - includes any premiums received on issue of share capital. Any transactions associated with the issuing of shares are deducted from the share premium.

#### Profit and loss account

Profit and loss account - includes all current and prior period retained profits and losses.

### 20. Pension commitments

The company operates an Employee Pension and Life Assurance Scheme for eligible employees over the age of 21 years. A scheme for each individual has been established with Standard Life to whom all contributions are paid and which are accumulated to provide a fund at retirement date from which a pension will be purchased. The company's contributions into the scheme during the year to 30 March 2016 amounted to £298,784 (2015: £239,662) and there are no outstanding or pre-paid contributions at the date of these accounts.

# CHARTER CONSTRUCTION PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2016

### 21. Commitments under operating leases

At 30 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	42,260	38,738
Later than 1 year and not later than 5 years	169,040	169,040
Later than 5 years	133,823	176,083
<b>Total</b>	<b>345,123</b>	<b>383,861</b>
	2016 £	2015 £
Not later than 1 year	2,966	2,616
Later than 1 year and not later than 5 years	6,370	7,848
<b>Total</b>	<b>9,336</b>	<b>10,464</b>

### 22. Related party transactions

Enter Text here - user input

### 23. Controlling party

Enter user text here...

### 24. Employee share ownership trust

Under a Trust Deed dated 22 December 1995, the company set up an Employee Share Ownership Trust. On 1 April 1996 the company loaned the trust £248,737 (at ½% per annum interest) to purchase shares. This loan has been repaid in full.

During the year the trustees acquired nil (2015: nil) and distributed nil (2015: nil) shares. The Trust incurred a surplus of £nil (2015 surplus: £nil). At the year end included within the assets of the trust are £16,350 (2015: £16,350) shares with a cost of £36,415 (2015: £36,415).

The trustees have sole discretion in how the shares are distributed to qualifying employees and they have waived the trust's right to receive dividends.

The financial transactions and assets of the trust have not been accounted for within these financial statements in accordance with Urgent Issues Task Force abstract 38, as the directors consider the company does not have de facto control of those assets and liabilities and in addition consider its adoption would not have a material effect on the company.

---

**CHARTER CONSTRUCTION PLC**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 MARCH 2016**

---

**25. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.