

Company Registration No. 02491994 (England and Wales)

B.J. CHAMPION CONTRACTORS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 APRIL 2019

PAGES FOR FILING WITH REGISTRAR

FRIDAY
SA



	S8XTØL2R	
SPE	31/01/2020	#231
	COMPANIES HOUSE	
	A8XX8WVU	
A14	01/02/2020	#224
	COMPANIES HOUSE	

tc accounts · tax · legal · financial planning

3 Acorn Business Centre
Northarbour Road
Cosham
Portsmouth
Hampshire
United Kingdom
PO6 3TH

4 2 2 7 7361

B.J. CHAMPION CONTRACTORS LIMITED

CONTENTS

	Page
Company information	1
Balance sheet	2 - 3
Notes to the financial statements	4 - 14

B.J. CHAMPION CONTRACTORS LIMITED

COMPANY INFORMATION

Directors	Mr. B Champion Mrs. G Champion
Secretary	Mr. B Champion
Company number	02491994
Registered office	Champion House Roentgen Court Roentgen Road Daneshill, Basingstoke United Kingdom RG24 8NT
Auditor	TC Group 3 Acorn Business Centre Northarbour Road Cosham Portsmouth Hampshire United Kingdom PO6 3TH

B.J. CHAMPION CONTRACTORS LIMITED

BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	5	3,035,129		3,155,335	
Investment properties	6	630,600		450,000	
Investments	7	137,116		137,116	
			3,802,845		3,742,451
Current assets					
Stocks		2,462,031		2,803,563	
Debtors	8	282,237		482,591	
Cash at bank and in hand		3,706		575	
			2,747,974		3,286,729
Creditors: amounts falling due within one year	9	(3,113,035)		(4,541,525)	
Net current liabilities			(365,061)		(1,254,796)
Total assets less current liabilities			3,437,784		2,487,655
Creditors: amounts falling due after more than one year	10		(2,423,586)		(1,505,762)
Provisions for liabilities	11		-		(4,394)
Net assets			1,014,198		977,499
Capital and reserves					
Called up share capital	12	100		100	
Profit and loss reserves		1,014,098		977,399	
Total equity			1,014,198		977,499

B.J. CHAMPION CONTRACTORS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 APRIL 2019

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 28-01-20 and are signed on its behalf by:

.....


Mr. B Champion
Director

Company Registration No. 02491994

The notes on pages 4 to 14 form part of these financial statements

B.J. CHAMPION CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

Company information

B.J. Champion Contractors Limited (02491994) is a private company limited by shares incorporated in England and Wales. The registered office is Champion House, Roentgen Court, Roentgen Road, Daneshill, Basingstoke, United Kingdom, RG24 8NT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The directors have taken advantage of the exemption in FRS 102 section 1.12 from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

1.2 Turnover

Turnover in respect of developments represents the total sales value of legally completed properties. Turnover on contracting work represents amounts receivable during the year, exclusive of VAT, for good and services provided to customers.

1.3 Intangible fixed assets - goodwill

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - Over 5 years

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Over the life of the lease
Plant and machinery	20% reducing balance or 10%-50% straight line
Asset under the course of construction	No depreciation until the asset is complete

B.J. CHAMPION CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account. Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, after making due allowances for obsolete and slow moving items.

B.J. CHAMPION CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

1.9 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

1.10 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

B.J. CHAMPION CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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 calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

B.J. CHAMPION CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Calculation of performance on long term contracts:

The directors assess the stage of completion on contracts by comparing the current costs with the total expected costs for the project. Consideration is given to external factors that may affect the overall outcome of the project. Profit is recognised once the company can reliably estimate the final outcome of the contract.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 18 (2018 - 18).

B.J. CHAMPION CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

4 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 May 2018 and 30 April 2019	149,000
Amortisation and impairment	
At 1 May 2018 and 30 April 2019	149,000
Carrying amount	
At 30 April 2019	-
At 30 April 2018	-

5 Tangible fixed assets

	Land and buildings	Asset under the course of construction	Plant and machinery	Total
	£	£	£	£
Cost				
At 1 May 2018	353,677	2,095,364	2,256,700	4,705,741
Additions	-	292,807	150,251	443,058
Disposals	(242,620)	-	(71,940)	(314,560)
At 30 April 2019	111,057	2,388,171	2,335,011	4,834,239
Depreciation and impairment				
At 1 May 2018	110,379	-	1,440,027	1,550,406
Depreciation charged in the year	613	-	305,896	306,509
Eliminated in respect of disposals	-	-	(57,805)	(57,805)
At 30 April 2019	110,992	-	1,688,118	1,799,110
Carrying amount				
At 30 April 2019	65	2,388,171	646,893	3,035,129
At 30 April 2018	243,298	2,095,364	816,673	3,155,335

B.J. CHAMPION CONTRACTORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2019****6 Investment property**

	2019
	£
Fair value	
At 1 May 2018	450,000
Additions	180,600
	<hr/>
At 30 April 2019	630,600
	<hr/>

At 30 April 2019 the valuation of the freehold investment property was reassessed by the directors, who considered the value to still be appropriate.

7 Fixed asset investments

	2019	2018
	£	£
Investments	137,116	137,116
	<hr/>	<hr/>

The company holds 100% of the issued share capital in Champion Build Limited, a company incorporated in England which operates as a general building company.

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 May 2018 & 30 April 2019	137,116
	<hr/>
Carrying amount	
At 30 April 2019	137,116
	<hr/>
At 30 April 2018	137,116
	<hr/>

B.J.J. CHAMPION CONTRACTORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2019**

8 Debtors	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	30,603	49,245
Gross amounts owed by contract customers	100,000	-
Amounts owed by group undertakings	200	300,424
Other debtors	54,993	98,948
Prepayments and accrued income	77,611	33,974
	<hr/>	<hr/>
	263,407	482,591
Deferred tax asset (note 11)	18,830	-
	<hr/>	<hr/>
	282,237	482,591
	<hr/>	<hr/>
9 Creditors: amounts falling due within one year	2019	2018
	£	£
Bank loans and overdrafts	341,990	363,611
Obligations under hire purchase agreements	157,541	216,845
Other borrowings	258,447	361,792
Trade creditors	286,918	172,062
Amounts due to fellow group undertakings	1,827,173	3,216,511
Corporation tax	40,981	113,691
Other taxation and social security	13,446	13,377
Other creditors	75,044	53,597
Accruals and deferred income	111,495	30,039
	<hr/>	<hr/>
	3,113,035	4,541,525
	<hr/>	<hr/>

The bank loans and overdrafts are secured by a first legal charge over the property held for future development and by way of an intercompany guarantee.

The hire purchase agreements are secured on the asset concerned.

B.J. CHAMPION CONTRACTORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2019****10 Creditors: amounts falling due after more than one year**

	2019	2018
	£	£
Bank loans and overdrafts	2,304,124	1,302,968
Obligations under hire purchase agreements	119,462	202,794
	<u>2,423,586</u>	<u>1,505,762</u>

The bank loans and overdrafts are secured by a first legal charge over the property held for future development and by way of an intercompany guarantee.

The hire purchase agreements are secured on the assets concerned.

Included within bank loans above is £571,633 (2018 - £685,452) due greater than five years.

11 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities	Assets	Assets
	2019	2018	2019	2018
Balances:	£	£	£	£
Accelerated capital allowances	-	4,394	18,830	-
	<u>-</u>	<u>4,394</u>	<u>18,830</u>	<u>-</u>
Movements in the year:				2019
				£
Liability at 1 May 2018				4,394
Credit to profit and loss				(4,394)
				<u>-</u>
Liability at 30 April 2019				<u>-</u>

B.J. CHAMPION CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

12 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u> </u>	<u> </u>
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Graham Figgins FCA.

The auditor was TC Group.

TC Group 30.4.20.

14 Financial commitments, guarantees and contingent liabilities

The company has provided guarantees in respect of group bank loans and overdrafts. No losses are anticipated as a result of these guarantees, which at 30th April 2019 totaled £2,646,114 (2018 - £1,890,775).

B.J. CHAMPION CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

15 Related party transactions

The company has taken advantage of the exemption available in FRS102 section 33.1a whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

During the year rent was paid in respect of property to the directors of £24,000 (2018 - £24,000) and to other related parties of £52,500 (2018 - £52,500).

During the year the company sold a property (11 Maple Court) which was held within land and buildings to the Trustees of the B J Champion Contractors Limited Pension Scheme for £220,000.

16 Parent company

The company's ultimate parent company and controlling party is B.J. Champion Holdings Limited which is incorporated in England & Wales.

The consolidated accounts of the largest group of which the company is a member and for which accounts are prepared can be obtained from the Company Secretary, B.J. Champion Holdings Limited, Champion House, Roentgen Court, Roentgen Road, Daneshill, Basingstoke, Hampshire, RG24 8NT.