

REGISTERED NUMBER: 02580900 (England and Wales)

A & H CONSTRUCTION & DEVELOPMENTS PLC

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 30 April 2014

Michael Dufty Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX



A & H CONSTRUCTION & DEVELOPMENTS PLC

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A & H CONSTRUCTION & DEVELOPMENTS PLC

**Company Information
for the Year Ended 30 April 2014**

DIRECTORS:

B A Adams
S J Cutler
R J Mottram
M Head

SECRETARY:

Mrs L Smith

REGISTERED OFFICE:

61 Charlotte Street
St. Pauls Square
Birmingham
West Midlands
B3 1PX

REGISTERED NUMBER:

02580900 (England and Wales)

AUDITORS:

Michael Dufty Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX

A & H CONSTRUCTION & DEVELOPMENTS PLC

Strategic Report for the Year Ended 30 April 2014

The directors present their strategic report for the year ended 30 April 2014.

REVIEW OF BUSINESS

Financial results

Turnover for the year to 30 April 2014 increased by 61% to £50,417,724 (2013 - £31,242,514), with the gross profit margin increasing to 9.32% (2013 - 8.53%). The company's profit on ordinary activities before taxation was £2,947,024 (2013 - £900,658).

Balance sheet

Net assets have increased from £3,460,356 in 2013 to £3,650,344 in 2014.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors recognise that, alongside the rewards generated by a trading organisation for its stakeholders, there are also risks and uncertainties. The company is dependent upon the efficiency of its employees in satisfying the needs of its customers and in the identification and consequent reduction of contractual risks in the work undertaken. The directors have developed a system of reviews and controls which monitor and deal with such risks.

EMPLOYEES

The company is fortunate to have a dedicated and loyal work force whose continuing support and hard work has once again helped to strengthen the business.

STRATEGIC PRIORITIES

The board and management of A & H Construction & Developments Plc are committed to continue to deliver the reliable, responsible performance which the company has enjoyed over recent years.

OUTLOOK

The company currently has a good order book despite operating in a difficult market. The board are clear about the priorities required for continued development of the business in both the medium and long term and have the proven management capability to deliver.

ON BEHALF OF THE BOARD:



Mrs L Smith - Secretary

6 August 2014

A & H CONSTRUCTION & DEVELOPMENTS PLC

Report of the Directors for the Year Ended 30 April 2014

The directors present their report with the financial statements of the company for the year ended 30 April 2014.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of building and maintenance work.

DIVIDENDS

An interim dividend was paid during the year at a rate of £40 per share on 30 April 2014 on the ordinary shares. The directors recommend that no final dividend be paid on these shares.

No dividends were paid on the A preference £1 shares during the year. The directors recommend that no final dividend be paid on these shares.

No dividends were paid on the B preference £1 shares during the year. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 30 April 2014 was £2,000,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2013 to the date of this report.

B A Adams
S J Cutler
R J Mottram
M Head

The director B A Adams has a 100% shareholding in the holding company A&H Construction & Developments (Holdings) Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

A & H CONSTRUCTION & DEVELOPMENTS PLC

**Report of the Directors
for the Year Ended 30 April 2014**

AUDITORS

The auditors, Michael Dufty Partnership Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mrs L Smith - Secretary

6 August 2014

**Report of the Independent Auditors to the Members of
A & H Construction & Developments Plc**

We have audited the financial statements of A & H Construction & Developments Plc for the year ended 30 April 2014 on pages six to thirteen. 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors 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 April 2014 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Robert MacLaren ACA FCCA (Senior Statutory Auditor)
for and on behalf of Michael Dufty Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX

6 August 2014

A & H CONSTRUCTION & DEVELOPMENTS PLC

Profit and Loss Account for the Year Ended 30 April 2014

	Notes	2014 £	2013 £
TURNOVER		50,417,724	31,242,514
Cost of sales		45,719,925	28,576,787
GROSS PROFIT		4,697,799	2,665,727
Administrative expenses		1,892,724	1,807,891
		2,805,075	857,836
Other operating income		20,000	20,000
OPERATING PROFIT	3	2,825,075	877,836
Interest receivable and similar income		8,149	22,822
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,833,224	900,658
Tax on profit on ordinary activities	4	643,236	204,420
PROFIT FOR THE FINANCIAL YEAR		2,189,988	696,238

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

A & H CONSTRUCTION & DEVELOPMENTS PLC (REGISTERED NUMBER: 02580900)

**Balance Sheet
30 April 2014**

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	6	310,887	311,590
CURRENT ASSETS			
Stocks	7	751,300	249,942
Debtors	8	11,334,488	6,262,491
Investments	9	113,972	113,972
Cash at bank and in hand		1,955,246	1,612,751
		<u>14,155,006</u>	<u>8,239,156</u>
CREDITORS			
Amounts falling due within one year	10	10,815,549	5,090,390
NET CURRENT ASSETS		<u>3,339,457</u>	<u>3,148,766</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>3,650,344</u></u>	<u><u>3,460,356</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	52,000	52,000
Profit and loss account	13	3,598,344	3,408,356
SHAREHOLDERS' FUNDS	16	<u><u>3,650,344</u></u>	<u><u>3,460,356</u></u>

The financial statements were approved by the Board of Directors on 6 August 2014 and were signed on its behalf by:



B A Adams - Director

A & H CONSTRUCTION & DEVELOPMENTS PLC

Notes to the Financial Statements for the Year Ended 30 April 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Long term contracts are stated at net cost less foreseeable losses less any applicable payments on account. The amount recorded as turnover in respect of long term contracts is ascertained by reference to the value of the work carried out to date. Attributable profit is recognised as the difference between recorded turnover and related costs.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Turnover and revenue recognition

Turnover comprises the fair value of the consideration received or receivable, net of value added tax.

Turnover is recognised as follows:

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 balance sheet date. This is normally measured by surveys of work performed to date. Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

2. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	2,478,125	2,413,704
Social security costs	278,298	286,028
Other pension costs	44,921	45,941
	<u>2,801,344</u>	<u>2,745,673</u>

A & H CONSTRUCTION & DEVELOPMENTS PLC

Notes to the Financial Statements - continued for the Year Ended 30 April 2014

2. STAFF COSTS - continued

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

	2014	2013
Production staff	37	37
Office and management	24	23
	<u>61</u>	<u>60</u>

3. OPERATING PROFIT

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

	2014 £	2013 £
Plant hire	1,301,857	933,735
Other operating leases	8,964	9,114
Depreciation - owned assets	128,031	111,554
Profit on disposal of fixed assets	(9,000)	(43,401)
Auditors' remuneration	16,500	16,500
Operating leases - land and buildings	13,000	13,000
Auditors remuneration non-audit	4,306	1,790
	<u>418,008</u>	<u>452,174</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	2014 £	2013 £
Emoluments etc	<u>126,497</u>	<u>124,267</u>

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2014 £	2013 £
Current tax:		
UK corporation tax	643,236	204,420
Tax on profit on ordinary activities	<u>643,236</u>	<u>204,420</u>

UK corporation tax has been charged at 21% (2013 - 23%).

A & H CONSTRUCTION & DEVELOPMENTS PLC

Notes to the Financial Statements - continued for the Year Ended 30 April 2014

4. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	2,833,224	900,658
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 - 23%)	594,977	207,151
Effects of:		
Expenses not deductible for tax purposes	5,625	3,654
Capital allowances in excess of depreciation	(9,072)	(14,229)
Corporation tax charged at different rates	51,706	7,844
Current tax charge	643,236	204,420

5. DIVIDENDS

	2014 £	2013 £
Ordinary shares of £1 each		
Interim - ordinary shares	2,000,000	600,000
A Preference shares of £1 each		
Interim - A preference shares	-	42,800
	2,000,000	642,800

6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 May 2013	275,329	245,828	651,621	1,172,778
Additions	47,400	-	79,928	127,328
Disposals	(38,500)	-	(16,125)	(54,625)
At 30 April 2014	284,229	245,828	715,424	1,245,481
DEPRECIATION				
At 1 May 2013	197,749	241,935	421,504	861,188
Charge for year	36,410	2,966	88,655	128,031
Eliminated on disposal	(38,500)	-	(16,125)	(54,625)
At 30 April 2014	195,659	244,901	494,034	934,594
NET BOOK VALUE				
At 30 April 2014	88,570	927	221,390	310,887
At 30 April 2013	77,580	3,893	230,117	311,590

A & H CONSTRUCTION & DEVELOPMENTS PLC

Notes to the Financial Statements - continued for the Year Ended 30 April 2014

7. STOCKS

	2014	2013
	£	£
Net costs less foreseeable losses	<u>751,300</u>	<u>249,942</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Amounts recoverable on contract	9,700,117	5,159,424
Other debtors	107,073	180,721
Owed by group undertakings	-	157,233
Owed by related parties	1,324,478	589,531
Prepayments	202,820	175,582
	<u>11,334,488</u>	<u>6,262,491</u>

9. CURRENT ASSET INVESTMENTS

	2014	2013
	£	£
Listed investments	<u>113,972</u>	<u>113,972</u>

Market value of listed investments at 30 April 2014 - £133,051 (2013 - £123,843).

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	9,235,609	4,497,224
Corporation tax	343,236	3,097
Social security and other taxes	562,665	476,090
Owed to group undertakings	458,153	-
Directors' current accounts	26,529	37,290
Accrued expenses	189,357	76,689
	<u>10,815,549</u>	<u>5,090,390</u>

11. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	2014	2013
	£	£
Expiring:		
Within one year	<u>13,000</u>	<u>13,000</u>

A & H CONSTRUCTION & DEVELOPMENTS PLC

Notes to the Financial Statements - continued for the Year Ended 30 April 2014

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2014	2013
Number:	Class:		£	£
50,000	Ordinary	£1	50,000	50,000
1,000	A Preference	£1	1,000	1,000
1,000	B Preference	£1	1,000	1,000
			<u>52,000</u>	<u>52,000</u>

The ordinary shares carry all of the voting rights. The A and B preference shares rank prior to the ordinary shares if the company is subject to any winding up procedures.

13. RESERVES

	Profit and loss account £
At 1 May 2013	3,408,356
Profit for the year	2,189,988
Dividends	(2,000,000)
At 30 April 2014	<u>3,598,344</u>

14. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of A&H Construction and Developments (Holdings) Limited, a company registered in England.

15. RELATED PARTY DISCLOSURES

The company is exempt from disclosing inter-group transactions and balances in accordance with Financial Reporting Standard 8.

During the year the company invoiced sales to the value of £nil (2013 - £nil) to St Kenelm Properties Plc a company of which the director, B A Adams, is the controlling shareholder. At the balance sheet date the company was owed £565,533 (2013 - £565,533) by St Kenelm Properties Plc.

At the balance sheet date the company was owed £400 (2013 - £nil) by G & F Properties Limited a company in which the directors have a controlling interest.

At the balance sheet date the company was owed £nil (2013 - £23,998) by MDN Properties (Bath) Limited a company in which the directors have a controlling interest.

At the balance sheet date the company was owed £726,021 (2013 - £nil) by Corbesley Properties Limited a company in which the director, B Adams, has a controlling interest.

At the balance sheet date the company was owed £32,524 (2013 - £nil) by Esteem Cosmetic Clinic Limited a company in which the director, B Adams, has a minority interest.

A & H CONSTRUCTION & DEVELOPMENTS PLC

Notes to the Financial Statements - continued for the Year Ended 30 April 2014

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit for the financial year	2,189,988	696,238
Dividends	(2,000,000)	(642,800)
Net addition to shareholders' funds	<u>189,988</u>	<u>53,438</u>
Opening shareholders' funds	3,460,356	3,406,918
Closing shareholders' funds	<u><u>3,650,344</u></u>	<u><u>3,460,356</u></u>

17. ULTIMATE CONTROLLING PARTY

The company was controlled throughout the current and previous year by a director, B A Adams, by virtue of his 100% shareholding in the company's parent company, A&H Construction and Development (Holdings) Limited.