

Structural Systems (UK) Limited

Annual Report and Financial Statements

Year Ended

31 May 2017

Company Number 04159184

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Structural Systems (UK) Limited

Company Information

Directors	P C Harrington R Stables
Company secretary	A M McGann
Registered number	04159184
Registered office	Harrington House 7 Dean Way Great Western Industrial Park Southall Middx UB2 4SB
Trading Address	12 Collett Way Southall Middlesex UB2 4SE
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Allied Irish Bank (GB) 33-35 Wembley Hill Road Wembley Middlesex HA9 8AS

Structural Systems (UK) Limited

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Structural Systems (UK) Limited

Strategic Report For the Year Ended 31 May 2017

The directors present their strategic report for the year ended 31 May 2017.

Review of business

After a challenging prior year, the business activity within Structural Systems (UK) Limited remains focused on the specialist construction areas of design & installation of post tensioning and structural remediation systems. The business achieved its budget with a turnover of £3.8m during the year to 31st May 2017, realising a gross profit margin of 40.4% (2016: £7.0m and 43.3% respectively, excluding the two legacy concrete frame construction contracts transferred from P.C. Harrington Contractors Limited). The company's operating margin (+0.8%) improved significantly on the previous year as a result of the completion of the two legacy contracts and targeted efficiency gains (2016: -1.4%).

The company has maintained its commitment to the development of its Quality Management systems, processes and implementation policy across the company and its staff, maintaining its certification to BS EN ISO 9001 and CARES, the leading specialist accreditation within our field. The company continues to be recognised for its achievements by way of client satisfaction surveys and award nominations.

The company also continues to recognise the significance of Health & Safety in the workplace, ensuring our work force is free from risk accomplished through investment in training. This investment focused on occupational health, behavioral culture (Incident Injury Free), environmental impact, risk reduction, employment of professionally qualified personnel and skills training, all of which was internally and externally audited.

The behavioral culture program (Incident Injury Free) saw the continuation of our extensive training program ensuring competency in the workplace, all of which continues to play a part in achieving a reduction in workplace injuries.

By way of streamlining, P.C. Harrington Group Limited (a 100% owned subsidiary of P.C. Harrington Holdings Limited) has been established, with the purpose of providing a management company for the group, which includes Structural Systems (UK) Limited. This action has started and will continue to provide financial economies and clarity of performance for each of the operating units within the group.

Structural Systems (UK) Limited

Strategic Report (continued)
For the Year Ended 31 May 2017

Principal risks and uncertainties

The risk implications of business decisions affecting all group companies are considered at a group level by the board of directors. The directors re-assess these risks on a regular basis to ensure that any risks arising from changes in the group's operations or the external environment are identified and appropriately managed. The detailed individual risks have been categorised into the following areas:

Operating risk – the company's reputation and continued success depends on its ability to provide services which are valued by its customers. The company regularly reviews the quality of services both internally and externally through client feedback and evaluation. Health, safety and environmental issues remain a high priority in all aspects of the company's affairs.

Market risk – the company operates in a specialised market and seeks to maintain a competitive advantage by offering an appropriate and relevant service range and providing a high level of customer service from professional and dedicated staff. The company keeps abreast of developments in the market through maintaining strong relationships with its clients and monitoring the wider economic environment. In addition, the company and wider group place great emphasis on recruiting and training high quality staff. The directors consider staff resourcing and succession planning issues on a regular basis.

Financial risk – the company is principally funded from retained profits and is reliant on converting these profits into cash. Financial monitoring, forecasting and planning are continuous processes and emphasis is placed on balancing maintenance or growth of profit margin, against investment in resources to maintain delivery of a high quality of service to customers.

Taxation risk - the company is exposed to financial risks from increases in tax rates and changes to the basis of taxation including corporation tax and VAT. Principal controls include regular monitoring of legislative proposals and the engagement of experienced executives and the use of experienced sector-specific professional advisers to mitigate the impact of changes.

Future developments

The focus of the company going forwards will be to capitalise on its more efficient structure by growing its order book responsibly in a competitive sector and against the backdrop of Brexit uncertainty.

Position at the end of the year

The statement of financial position on page 8 of the financial statements shows that the company's financial position at the year-end (Net liabilities of £0.8m) was broadly similar to the previous year.

Key performance indicators

The key indicator used by the directors is EBITDA before any exceptional items: 2017: £44,000 (2016: £386,000 loss).

This report was approved on 15th March 2018 and signed on its behalf.



P C Harrington
Director

Structural Systems (UK) Limited

Directors' Report For the Year Ended 31 May 2017

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

Principal activity

The principal activity of the company has continued to be that of providing specialist services to the construction industry. It is noted that the impact of the transfer of two contracts from PC Harrington Contractors Limited to construct concrete frames was minimal on the company's results for the year ending 31 May 2017 (Turnover: £40,000 and Cost of sales: £42,000). These legacy contracts were substantially complete by 31 May 2016 and no further concrete frame construction activity is planned.

Dividends

No dividends will be distributed for the year ended 31 May 2017 (2016: £Nil).

Directors

The directors shown below have held office during the whole of the period from 1 June 2016 to the date of this report.

P C Harrington
R Stables

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). 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;
- 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 to 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.

Employment of disabled persons

The group does not tolerate discrimination of any kind and recruits staff on an equal opportunities basis considering relevant experience and suitability to perform the role. All necessary assistance with training is provided and a development plan is prepared so as to ensure suitable opportunities for each person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitude and abilities.

Structural Systems (UK) Limited

Directors' Report (continued) For the Year Ended 31 May 2017

Employee involvement

The company is part of a privately owned group and places great emphasis on recruiting and training high quality staff. The directors consider staff resourcing and succession planning issues on a regular basis. Health, safety and environmental issues remain a high priority in all aspects of the company's affairs.

Financial instruments

Treasury operations and financial instruments

Objectives and policies

The company's principal financial instruments comprise bank balances, trade creditors, loans to and from subsidiary companies and loans to related companies. The main purpose of these instruments is to raise funds for the company's and group's operations and to finance the company's and group's operations.

Price risk, credit risk, liquidity risk and cash flow risk

Due to the nature of the financial instruments used by the company there is no exposure to price risk.

In respect of bank balances the liquidity risk is managed by maintaining a positive balance between continuity of funding and flexibility through an agreed payment policy. The company makes use of money market facilities where funds are available.

The company manages the liquidity risk by ensuring there are sufficient funds to meet its payments to creditors. As set out in Note 2, the directors have evaluated the continuing impact on the company's cash flow of supporting fellow group companies and continue to adopt the going concern basis in the preparation of these financial statements.

Interest rate risk

In respect of loans these comprise of loans to and from group undertakings and loans to companies under common control, all of which are interest-free.

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.

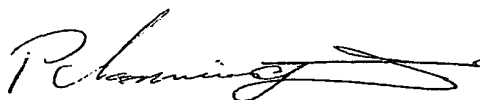
Post balance sheet events

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

Auditors

The auditors, BDO LLP, were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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



P C Harrington
Director

15TH MARCH 2018

Structural Systems (UK) Limited

Independent Auditors' Report to the Members of Structural Systems (UK) Limited

We have audited the financial statements of Structural Systems (UK) Limited for the year ended 31 May 2017 which comprise of the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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), 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2017 and of its 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.

Opinion on other matters 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.

Structural Systems (UK) Limited

Independent Auditors' Report to the Members of Structural Systems (UK) Limited (continued)

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.

BDO LLP

Geraint Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street
London
W1U 7EU
15 March 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Structural Systems (UK) Limited

Statement of Comprehensive Income For the Year Ended 31 May 2017

	Note	2017 £000	As restated 2016 £000
Turnover	3	3,769	30,030
Cost of sales		(2,247)	(27,954)
Gross profit		1,522	2,076
Administrative expenses		(1,517)	(2,505)
Operating profit/(loss)	4	5	(429)
Interest payable and similar expenses	7	(17)	(20)
Loss before taxation		(12)	(449)
Tax on loss	8	-	25
Loss for the financial year		(12)	(424)
Other comprehensive income			
Prior year adjustment	16	-	-
Total comprehensive loss for the year		(12)	(424)

The notes on pages 10 to 21 form part of these financial statements.

Structural Systems (UK) Limited

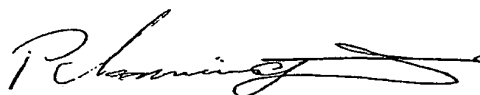
Registered number: 04159184

Statement of Financial Position As at 31 May 2017

	Note	2017 £000	2017 £000	As restated 2016 £000	As restated 2016 £000
Fixed assets					
Tangible assets	9		128		162
			<u>128</u>		<u>162</u>
Current assets					
Stocks	10	120		179	
Debtors: amounts falling due within one year	11	3,308		3,647	
Cash at bank and in hand		186		53	
		<u>3,614</u>		<u>3,879</u>	
Current liabilities					
Creditors: amounts falling due within one year	12	(4,568)		(4,855)	
Net current liabilities			<u>(954)</u>		<u>(976)</u>
Total assets less current liabilities			<u>(826)</u>		<u>(814)</u>
Net liabilities			<u>(826)</u>		<u>(814)</u>
Capital and reserves					
Called up share capital	14		-		-
Profit and loss account	15		(826)		(814)
			<u>(826)</u>		<u>(814)</u>

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

15/03/2018



P C Harrington

Director

The notes on pages 10 to 21 form part of these financial statements.

Structural Systems (UK) Limited

Statement of Changes in Equity For the Year Ended 31 May 2017

	Profit and loss account £000	Total equity £000
At 1 June 2016 (as previously stated)	(3)	(3)
Prior year adjustment - see note 16	(811)	(811)
At 1 June 2016 (as restated)	<u>(814)</u>	<u>(814)</u>
Comprehensive loss for the year		
Loss for the year	(12)	(12)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u>(12)</u>	<u>(12)</u>
At 31 May 2017	<u><u>(826)</u></u>	<u><u>(826)</u></u>

Statement of Changes in Equity For the Year Ended 31 May 2016

	Profit and loss account £000	Total equity £000
At 1 June 2015 (as previously stated)	(2,858)	(2,858)
Comprehensive income for the year		
Loss for the year (restated)	(424)	(424)
Capital contribution	2,468	2,468
Total comprehensive income for the year	<u>2,044</u>	<u>2,044</u>
Total transactions with owners	-	-
At 31 May 2016 (restated)	<u><u>(814)</u></u>	<u><u>(814)</u></u>

The notes on pages 10 to 21 form part of these financial statements.

Structural Systems (UK) Limited

Notes to the Financial Statements For the Year Ended 31 May 2017

1. Statutory information

Structural Systems (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. This is the first year in which the financial statements have been prepared under FRS 102.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the year ahead at the date of signing the financial statements and are confident that both short-term and long-term financial support will be secured in a timely manner to ensure that the company and other group companies can meet their day-to-day commitments from cash flows. The directors are also confident that sufficient assets will be available across the group to provide the required security for the finance sought and that such bank funding, once received will remain in place for at least the foreseeable future.

Whilst the directors believe the going concern basis is appropriate, until sufficient scale is achieved it is likely that the parent company will be required to provide additional funding to support each group business to discharge its liabilities. After making full enquiries, having considered the period ahead and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and to finance group companies for the foreseeable future.

As a consequence, the directors believe that the group is well placed to manage its business risks and accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. The financial statements do not include any adjustments that would result from the going concern basis being inappropriate.

If the company were unable to trade, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets as current assets.

The company has received a letter of support from P.C. Harrington Holdings Limited confirming that it will provide financial support for a period of 12 months from the date of approval of the company's balance sheet. The directors have reviewed the forecast cash flows of the group and are satisfied that the company will be able to meet its obligations as they fall due for at least 12 months from the date of approval of the company's 31 May 2017 balance sheet. As a result, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Structural Systems (UK) Limited

Notes to the Financial Statements For the Year Ended 31 May 2017

2. Accounting policies (continued)

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of P.C. Harrington Holdings Limited as at 31 May 2017 and these financial statements may be obtained from Companies House.

2.4 Consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

P.C. Harrington Holdings Limited is the company's immediate and ultimate parent.

2.5 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts, derived from long-term contracts. Revenue from long-term contracts is recognised in the income statement in proportion to the stage of completion at the reporting date.

Structural Systems (UK) Limited

Notes to the Financial Statements For the Year Ended 31 May 2017

2. Accounting policies (continued)

2.6 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

For revenue derived from construction contracts the main challenges for management to determine when revenue should be recognised requires judgement for the value of work completed at the end of each month and consideration of the client's feedback of recoverability for work completed. This stage of completion is considered at the balance sheet date as measured and agreed by third party and in-house surveyors. Should changes occur following the month end that impact the contract delivery then it is possible that earnings may be negatively or positively impacted.

Collectability of trade receivables

The company make allowance for doubtful receivables to reflect estimated losses that may result from the inability of customers to make required payments. Management determines the size of the allowance based on the likelihood of recoverability of accounts receivable taking into account current collection trends. Should economic or specific industry trends worsen compared to management estimates, the allowance may have to be increased, negatively impacting earnings.

2.7 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	-	10% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	10% straight line

2.8 Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is determined from the cost to the company of replacing the stock items at the current list price.

2.9 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Work in progress is reflected in the accounts on a contract by contract basis and represents the unbilled direct and indirect costs incurred as at the year end. These typically arise where mid-month valuations have occurred and a time apportioned estimate of the cost of measured work has been calculated. Net realisable value represents the certified value of the measured work carried out in a particular period, invoiced subsequent to year end.

Structural Systems (UK) Limited

Notes to the Financial Statements For the Year Ended 31 May 2017

2. Accounting policies (continued)

2.10 Taxation

Taxation for the period comprises current and deferred tax recognised in the reporting period. Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Deferred tax arises from timing differences that are differences between the treatment of certain items for taxation and accounting purposes.

2.11 Hire purchase and leasing commitments

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

2.12 Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

2.13 Investments

Fixed asset investments are stated at cost less accumulated impairment losses.

2.14 Financial instruments

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

2.15 Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability. Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Structural Systems (UK) Limited

Notes to the Financial Statements For the Year Ended 31 May 2017

3. Turnover

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

	2017 £000	2016 £000
Specialist services	3,729	6,963
Concrete frame construction	40	23,067
	<u>3,769</u>	<u>30,030</u>

Analysis of turnover by country of destination:

	2017 £000	2016 £000
United Kingdom	3,769	30,027
Eire	-	3
	<u>3,769</u>	<u>30,030</u>

4. Operating profit/(loss)

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

	2017 £000	2016 £000
Depreciation of tangible fixed assets	39	43
Auditors' remuneration	26	19
Exchange differences	(10)	(1)
Other operating lease rentals	4	-
Defined contribution pension cost	81	290
	<u>81</u>	<u>290</u>

Structural Systems (UK) Limited

Notes to the Financial Statements For the Year Ended 31 May 2017

5. Employees

	2017 £000	2016 £000
Wages and salaries	1,760	13,157
Social security costs	178	1,279
Cost of defined contribution scheme	81	290
	<u>2,019</u>	<u>14,726</u>

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

	2017 No.	2016 No.
Site operatives	44	99
Technical & Design	13	18
Management	1	23
	<u>58</u>	<u>140</u>

6. Directors' remuneration

	2017 £000	2016 £000
Directors' emoluments	-	368
Company contributions to defined contribution pension schemes	-	11
	<u>-</u>	<u>379</u>

The highest paid director received remuneration of £Nil (2016 -£276,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2016 -£11,000).

7. Interest payable and similar charges

	2017 £000	2016 £000
Bank interest payable	<u>17</u>	<u>20</u>

Structural Systems (UK) Limited

Notes to the Financial Statements For the Year Ended 31 May 2017

8. Taxation

	2017 £000	As restated 2016 £000
Deferred tax		
Origination and reversal of timing differences - tax credit	-	(25)
Total deferred tax credit	-	(25)
Taxation on loss on ordinary activities	-	(25)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 -higher than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £000	As restated 2016 £000
Loss on ordinary activities before tax	(12)	(449)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(2)	(90)
Effects of:		
Tax loss carried forward	2	65
Total tax credit for the year	-	(25)

Factors that may affect future tax charges

Tax losses carried forward have not been recognised as a deferred tax asset due to uncertainty over the quantum and timing of their recovery.

Structural Systems (UK) Limited

Notes to the Financial Statements For the Year Ended 31 May 2017

9. Tangible fixed assets

	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Office equipment £000	Total £000
Cost or valuation					
At 1 June 2016	658	80	106	-	844
Additions	-	-	-	5	5
At 31 May 2017	658	80	106	5	849
Depreciation					
At 1 June 2016	523	66	93	-	682
Charge for the year on owned assets	30	4	5	-	39
At 31 May 2017	553	70	98	-	721
Net book value					
At 31 May 2017	105	10	8	5	128
At 31 May 2016	135	14	13	-	162

10. Stocks

	2017 £000	2016 £000
Work in progress	120	179

11. Debtors

	2017 £000	2016 £000
Trade debtors	143	341
Amounts owed by group undertakings	2,030	1,201
Prepayments and accrued income	110	156
Amounts recoverable on long term contracts	1,025	1,949
	3,308	3,647

Structural Systems (UK) Limited

Notes to the Financial Statements For the Year Ended 31 May 2017

11. Debtors (continued)

As at the financial year end, trade debtors have been impaired by £67,000 (2016 : £89,000)

The amounts owed by group undertakings and companies under common control are interest-free unsecured, with no fixed repayment terms.

12. Creditors: Amounts falling due within one year

	2017 £000	As restated 2016 £000
Bank loans	-	16
Trade creditors	779	819
Amounts owed to group undertakings	2,683	1,507
Corporation tax	15	-
Other taxation and social security	296	400
Other creditors	-	820
Accruals and deferred income	795	1,293
	4,568	4,855

The fixed and floating charge over all of the property and undertaking of the company in respect of Endless LLP dated 16 April 2015 was satisfied on 30 July 2015.

The amounts owed to group undertakings and companies under common control are interest-free unsecured, with no fixed repayment terms.

13. Loans

Analysis of the maturity of loans is given below:

	2017 £000	2016 £000
Amounts falling due within one year		
Bank overdrafts	-	16

14. Share capital

	2017 £000	2016 £000
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	-	-

Structural Systems (UK) Limited

Notes to the Financial Statements For the Year Ended 31 May 2017

15. Reserves

The company's reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

16. Prior year adjustment

In the prior period financial statements, a receivable on a project of £811,000 was included in error when the amount should have been charged to cost of sales. This has been corrected in the comparatives to the financial statements. The impact is to increase cost of sales and reduce profit in the year ended 31 May 2016 by £811,000 and consequently receivables and net assets reduce by £811,000.

17. Commitments under operating leases

At 31 May 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Not later than 1 year	-	6
Later than 1 year and not later than 5 years	-	1
	<hr/>	<hr/>
	-	7
	<hr/>	<hr/>

Structural Systems (UK) Limited

Notes to the Financial Statements For the Year Ended 31 May 2017

18. Related party disclosures

During the year the company provided, in the course of normal operations, the following services to the non-wholly owned related companies within the group.

	Amount owed (to)/from at 1 June 2016 £000	Fees & Charges £000	Loans, Settlements & Provisions £000	Amount owed (to)/from at 31 May 2017 £000
31 May 2017				
P.C. Harrington Holdings Limited	(1,475)	(344)	(804)	(2,623)
Hevilifts Limited	244	3	(226)	21
HPC Frames Limited	90	381	(166)	305
PC Harrington Group Limited	-	979	100	1,079
Slipform Limited	373	121	(554)	(60)
P&E Harrington Plant Hire Limited	462	198	(35)	625
Slipform Middle East LLC	-	-	-	-
	Amount owed (to)/from at 1 June 2015 £000	Fees & Charges £000	Loans, Settlements & Provisions £000	Amount owed (to)/from at 31 May 2016 £000
31 May 2016				
P.C. Harrington Holdings Limited	(42)	178	(1,611)	(1,475)
Hevilifts Limited	346	(920)	818	244
HPC Frames Limited	1	89	-	90
PC Harrington Group Limited	-	-	-	-
Slipform Limited	-	1,169	(796)	373
P&E Harrington Plant Hire Limited	183	635	(356)	462
Slipform Middle East LLC	363	-	(363)	-

19. Ultimate controlling party

The immediate parent company is P.C. Harrington Holdings Limited, which owns 92.5% of the share capital of Structural Systems (UK) Limited, and is incorporated in England. The company is ultimately controlled by Mr P C Harrington who, together with his family owns 100% of the issued share capital of P.C. Harrington Holdings Limited.

Structural Systems (UK) Limited

Notes to the Financial Statements For the Year Ended 31 May 2017

20. Waiver of intercompany loans

During the prior year, Structural Systems (UK) Limited has received various loans from HPC Frames Limited with the amount repayable to HPC Frames Limited amounting to £2,468,000. HPC Frames Limited agreed to waive the loan in full under waiver of intercompany loans.

The amount represented a capital contribution and was a distributable reserve and so was presented within retained deficit.