

Registered

Company Registration No. 04375916 (England and Wales)

R DURTNELL & SONS (HOLDINGS) LIMITED
CONSOLIDATED REPORTS AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

TUESDAY



A6CDM400

A14

08/08/2017

#213

COMPANIES HOUSE

R DURTNELL & SONS (HOLDINGS) LIMITED

COMPANY INFORMATION

Director	J A Durtnell
Secretary	S E Routh
Company number	04375916
Registered office	Rectory Lane Brasted Westerham Kent TN16 1JR
Auditors	Wilkins Kennedy LLP Globe House Eclipse Park Sittingbourne Road Maidstone Kent ME14 3EN

R DURTNELL & SONS (HOLDINGS) LIMITED

CONTENTS

	Page
Strategic report	1 – 2
Director's report	3
Director's responsibilities statement	4
Independent auditors' report	5 - 6
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10
Statements of changes in equity	11
Notes to the financial statements	12 - 27

R DURTNELL & SONS (HOLDINGS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents his strategic report and the financial statements of the group for the year ended 31 December 2016.

Fair review of the business

The principal activity of the group is building contracting.

Development and performance of the group

There have not been any significant changes in the group's principal activity in the year under review and, at the date of this report, the director is not aware of any likely changes in the group's activities in the next year. However, following the incorporation of a new subsidiary company on 15 July 2016, the group's joinery activities were transferred from R Durtnell & Sons Limited to the new company, Durtnell Joinery Limited, with effect from the close of business on 31 December 2016.

During the year the group's turnover was £41,612,640 compared to £40,529,058 for the previous year but, while there has been an increase, the economic conditions remained very challenging. The loss for the year after tax of £197,095 reflects an exceptional bad debt charge of £236,966.

Key performance indicators

The KPIs used to determine the progress and performance of the group are set out below:

Gross profit margin

The group's gross profit margin decreased in the year under review to 11.9% compared to 12.4% in 2015.

Turnover

Turnover has increased during the year by 2.7% to £41,612,640 reflecting increased contract activity, including within the joinery division.

Contracts won

A number of significant new contracts were successfully tendered for during the year and the group has currently secured work valued at approximately £50m. The director is confident that the accounts for the financial year ending 31 December 2017 will show a significant increase in turnover.

Financial position at the year end and future prospects

The consolidated balance sheet on page 8 of the financial statements shows that the group's consolidated net assets at the year end increased from £1,180,551 to £1,733,456, which reflects the issue by R Durtnell & Sons Limited of new share capital (see below).

Throughout 2016 the director and his colleagues have reviewed the operations of the group on a regular basis and at monthly board meetings. At all times they have remained confident about the fundamentals of the group.

Having considered the likely cash flows, the director believes that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. The director is confident the group will continue to meet its liabilities as they fall due for the foreseeable future and for at least 12 months from the date of approval of the accounts.

Share issue in subsidiary

On 13 September 2016 the director, with the directors of R Durtnell & Sons Limited, agreed to increase the share capital of that company in order to strengthen its net asset position. Durtnell Limited was allotted 275,000 £1 'A' preference shares for cash on 23 September 2016 and The Darenth River Ballast Company Limited was allotted 475,000 £1 'A' preference shares for cash on 29 September 2016. Durtnell Limited and The Darenth River Ballast Company Limited are both companies under common control.

R DURTNELL & SONS (HOLDINGS) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

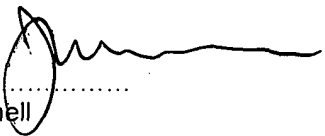
Principal risks and uncertainties facing the business

Management continually monitor the key risks facing the group, together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the group are as follows:

- Contract risks – in managing its contracts the group is always mindful of the need to ensure that the contract tendering process is as effective as possible; that a close relationship is maintained at all times with its clients and their advisors; and that costs are carefully monitored.
- Competitive pressures – these are a continuing risk to the group. The group manages this risk by providing added value services to its customers and ensuring a high quality product. Our continued accreditation as Quality Assured Builders continues to give benefits to both our clients and ourselves through enhanced efficiency and reductions in waste, thereby strengthening our reputation in a highly competitive market. Nevertheless, the board continues to be aware of the need to adapt to current economic trends and changes, both within and outside the industry.
- Reliance on key suppliers – the group's purchasing activities could expose it to over-reliance on certain suppliers and inflationary pricing pressures. The group manages this risk by ensuring there is enough breadth in its supplier base and by constantly seeking to find potential alternative suppliers that may be used, if necessary.
- Loss of key personnel – this would present significant operational difficulties for the group. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

On behalf of the board


.....
J A Durtnell
Director

Date: 28/7/2017

R DURTNELL & SONS (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The director submits his report and accounts for the year ended 31 December 2016.

Director

The director during the year ended 31 December 2016 was Mr J A Durnell.

Results and dividends

The results for the year are set out on page 7. The group's loss for the year after taxation was £197,095. Further commentary is provided in the strategic report on pages 1 and 2.

No dividends were paid during the year.

Financial instruments

The group's approach to managing risks applicable to financial instruments is shown below.

In respect of bank balances the liquidity risk is managed by transferring funds between the accounts of the group to obtain the maximum rate of interest, whilst not impacting on the immediate financial needs of the group.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to clients and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Future developments

Together with the directors of the trading subsidiary, the director is currently considering possible development projects as a way of increasing turnover and improving profitability.

Auditors

The auditor, Wilkins Kennedy LLP, is deemed to be appointed under section 487(2) of the Companies Act 2006. Day, Smith & Hunter, the previous auditor, merged with Wilkins Kennedy LLP on 1 October 2016.

Statement of disclosure to auditors

The director confirms that so far as he is aware, there is no relevant audit information of which the group's auditors are unaware. He has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board


J A Durnell
Director

Date: 28/2/2017

R DURTNELL & SONS (HOLDINGS) LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in business;
- comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

R DURTNELL & SONS (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF R DURTNELL & SONS (HOLDINGS) LIMITED

We have audited the financial statements of R Durnell & Sons (Holdings) Limited for the year ended 31 December 2016, which are set out on pages 7 to 27. 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.

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 auditors' 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 the director and auditors

As explained more fully in the director's responsibilities statement set out on page 4, the director is 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 group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; 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 director's 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 group's and the parent company's affairs as at 31 December 2016 and of the group's 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 matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the strategic report and director's report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and the group and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

R DURTNELL & SONS (HOLDINGS) LIMITED

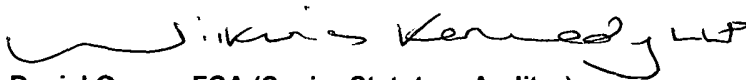
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF R DURTNELL & SONS (HOLDINGS) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Daniel Graves FCA (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP

28/7/2017

Chartered Accountants
Statutory Auditor

Globe House, Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN

R DURTNELL & SONS (HOLDINGS) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover		41,612,640	40,529,058
Cost of sales		(36,665,254)	(35,506,530)
Gross profit		4,947,386	5,022,528
Administrative expenses		(5,157,495)	(5,011,500)
Other operating income		4,640	2,400
Operating (loss)/profit	5	(205,469)	13,428
Rent receivable		33,250	40,431
Interest receivable and similar income		8,194	15,885
Interest payable and similar charges	8	(28,842)	(26,921)
Profit on disposal of freehold property		-	7,277
(Loss)/profit before taxation		(192,867)	50,100
Taxation on loss on ordinary activities	9	(4,228)	(16,043)
(Loss)/profit and total comprehensive income for the year		(197,095)	34,057

The profit and loss account has been prepared on the basis that all operations are continuing.

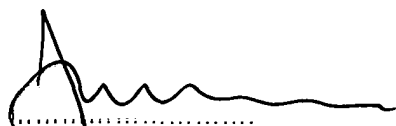
R DURTNELL & SONS (HOLDINGS) LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible fixed assets	10	1,876,859	2,005,226
Current assets			
Stocks	12	51,813	334,641
Debtors falling due after one year	13	1,214,864	1,092,033
Debtors falling due within one year	13	7,587,731	5,562,377
Cash at bank and in hand		1,770,891	1,606,657
		<u>10,625,299</u>	<u>8,595,708</u>
Creditors: amounts falling due within one year	14	<u>(10,281,414)</u>	<u>(8,933,961)</u>
Net current assets/(liabilities)		343,885	(338,253)
Total assets less current liabilities		<u>2,220,744</u>	<u>1,666,973</u>
Creditors: amounts falling due after more than one year	15	<u>(487,288)</u>	<u>(486,422)</u>
Net assets		<u><u>1,733,456</u></u>	<u><u>1,180,551</u></u>
Capital and reserves			
Called up share capital	19	20,009	20,009
Capital reserve	21	329,991	329,991
Revaluation reserve	21	50,000	50,000
Profit and loss account		<u>583,456</u>	<u>780,551</u>
Equity attributable to the owners of the parent company		983,456	1,180,551
Non-controlling interests	22	<u>750,000</u>	<u>-</u>
Total equity		<u><u>1,733,456</u></u>	<u><u>1,180,551</u></u>

The financial statements were approved by the board of directors and authorised for issue on 28/1/2017 and are signed on its behalf by:


 J A Durnell
 Director

Company Registration Number : 04375916

R DURTNELL & SONS (HOLDINGS) LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
Fixed assets			
Investment in group undertaking	11	20,010	20,009
Current assets			
Debtors	13	125,000	125,000
Cash at bank		23	23
		<u>125,023</u>	<u>125,023</u>
Creditors: amounts falling due within one year	14	<u>(1)</u>	<u>-</u>
		<u>125,022</u>	<u>125,023</u>
Net assets		<u>145,032</u>	<u>145,032</u>
Capital and reserves			
Called up share capital	19	20,009	20,009
Profit and loss account		<u>125,023</u>	<u>125,023</u>
Total equity		<u>145,032</u>	<u>145,032</u>

The financial statements were approved by the board of directors and authorised for issue on 28/7/2017 and are signed on its behalf by:

.....
J A Durtne
Director

Company Registration Number : 04375916

R DURTNELL & SONS (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	23	(350,535)	450,481
Interest paid		(28,842)	(26,921)
Income taxes refunded/(paid)		-	14,244
Net cash (outflow)/inflow from operating activities		(379,377)	437,804
Investing activities			
Purchase of tangible fixed assets	(24,386)	(224,896)	
Proceeds on disposal of tangible fixed assets	16,080	368,267	
Rent received	33,250	40,431	
Interest received	8,194	15,885	
Net cash generated from investing activities		33,138	199,687
Financing activities			
Repayment of bank loan	(100,000)	-	
Issue of preference shares	750,000	-	
Repayment of obligations under finance leases	(139,527)	(122,375)	
Net cash generated from/(used in) financing activities		510,473	(122,375)
Net increase in cash and cash equivalents		164,234	515,116
Cash and cash equivalents at beginning of year		1,606,657	1,091,541
Cash and cash equivalents at end of year		1,770,891	1,606,657

R DURTNELL & SONS (HOLDINGS) LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Capital reserve £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2015	<u>20,009</u>	<u>329,991</u>	<u>26,154</u>	<u>770,340</u>	<u>1,146,494</u>
Year ended 31 December 2015:					
Profit and total comprehensive income for the year	-	-	-	34,057	34,057
Transfers	-	-	23,846	(23,846)	-
Balance at 31 December 2015	<u>20,009</u>	<u>329,991</u>	<u>50,000</u>	<u>780,551</u>	<u>1,180,551</u>
Year ended 31 December 2016:					
Loss and total comprehensive income for the year	-	-	-	(197,095)	(197,095)
Balance at 31 December 2016	<u>20,009</u>	<u>329,991</u>	<u>50,000</u>	<u>583,456</u>	<u>983,456</u>
Shares issued in subsidiary undertaking – non controlling interest					750,000
Total equity					<u>1,733,456</u>

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015	<u>20,009</u>	<u>125,023</u>	<u>145,032</u>
Year ended 31 December 2015:			
Total comprehensive income for the year	-	-	-
Balance at 31 December 2015	<u>20,009</u>	<u>125,023</u>	<u>145,032</u>
Year ended 31 December 2016:			
Total comprehensive income for the year	-	-	-
Balance at 31 December 2016	<u>20,009</u>	<u>125,023</u>	<u>145,032</u>

R DURTNELL & SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

R Durtnell & Sons (Holdings) Limited is a company limited by shares incorporated in England and Wales. The registered office and principal place of business is Rectory Lane, Brasted, Westerham, Kent TN16 1JR.

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.

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

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold and leasehold properties. The principal accounting policies adopted are set out below.

Advantage has been taken of the exemption from the requirement to present a cash flow statement as part of the group's financial statements as the group is a qualifying entity and prepares publically available consolidated financial statements.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Basis of consolidation

The group financial statements of the company and its subsidiary undertaking made up to 31 December 2016 have been prepared in accordance with the principles of merger and acquisition accounting as appropriate. Intra-group transactions are eliminated on consolidation.

1.4 Holding company profit and loss account

A separate profit and loss account for R Durtnell & Sons (Holdings) Limited is not included in the accounts. The information required under section 408 Companies Act 2006 is provided in note 3 to the accounts.

1.5 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the value of work performed during the year, net of discounts and VAT. The value of work is assessed by reference to the stage of completion of contract work in accordance with the accounting policy set out in note 1.10.

R DURTNELL & SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.6 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:

Short leasehold improvements	4%
Motor vehicles	20% on cost
Plant, machinery, equipment and fixtures	12.5% to 50% on cost

Long term leasehold land and buildings are measured at fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are carried out with sufficient regularity to ensure that the carrying value does not differ materially from that which would be determined using fair value at the end of each reporting period.

The group's long term lease runs for the 99 years from 1 October 1990 and, in view of the group's policy on the maintenance of this property, which is non-specialised, the director does not expect its residual value to fall below its carrying value in the foreseeable future. Accordingly, no depreciation has been charged on leasehold property except for in relation to the cost of certain short leasehold tenants' improvements amounting to £21,449, which are depreciated at 4% on cost.

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 recognised in the profit and loss account.

1.7 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible 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 group estimates the recoverable amount of the cash-generating unit to which the assets belongs,

Recoverable amount is the higher of fair value less costs to sell and value in use.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies

(Continued)

1.8 Fixed assets investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. 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.

Dividends on fixed asset investments are recognised when the company becomes entitled to receive payment.

1.9 Stocks

Stocks, including property held for development, are valued at the lower of cost and net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit and loss.

1.10 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. This is normally measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs, except where this would not be representative of the stage of completion. 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.

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 they 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 turnover, the expected loss is recognised as an expense immediately. When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from contract customers. For contracts where progress billings exceed contract costs incurred to date plus recognised profit less recognised losses, the surplus is included within creditors as amounts due to contract customers.

1.11 Cash and cash equivalents

Cash and cash equivalents 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.

1.12 Financial instruments

The group applies the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments, which are classified as basic.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

1 Accounting policies (Continued)

1.12 Financial instruments (Continued)

Basic financial assets

Basic financial assets, which include trade and other 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.

Trade debtors, loans and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from group companies, 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 receipts discounted at a market rate of interest.

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 group after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

R DURTNELL & SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.13 Equity instruments

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

1.14 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 group'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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 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 amounts due from contract customers.

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 group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

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

1.17 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 the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

R DURTNELL & SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1.17 Leases

(Continued)

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumption 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 critical judgements and estimates that the director has made in the process of applying the group's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the director has considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Revenue recognition in respect of contract services

The group uses the percentage of completion method to recognise contract revenue. This method requires the director and the directors of the trading subsidiary to estimate the value of work performed at each reporting date as a proportion of the total value of work to be performed to complete the contract as well as the anticipated gross margin likely to be achieved.

Recoverability of debtors

The group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the director considers factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

Determining residual values and useful economic lives of property, plant and equipment

The group depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Deferred tax asset

As indicated in note 17 there is a deferred tax asset, which largely arises as a result of unused trading losses. In assessing the deferred asset provision, management has considered the period over which these losses are likely to be relieved. On the basis that the majority of the losses are expected to be used in 2017, 2018 and 2019, full provision has been made for the deferred tax asset.

R DURTNELL & SONS (HOLDINGS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2016****2 Judgements and key sources of estimation uncertainty****(Continued)*****Classification of preference shares issued by subsidiary***

As indicated in note 22 the preference shares issued by R Durtnell & Sons Limited in September 2016 have been classified as part of the group's capital and reserves, but as non-controlling interests. This is on the basis that the holders of the 'A' preference shares have no rights to specific dividends, no voting rights and no specific redemption terms.

3 Profit for the financial year

The accounts of the parent company show a profit after taxation of £Nil (2015: £Nil).

4 Turnover

The group's turnover relates solely to its principal activity and arises in the United Kingdom.

5 Operating (loss)/profit

This is stated after charging/(crediting) the following:-

	2016	2015
	£	£
Depreciation of owned tangible fixed assets	129,719	123,879
Depreciation of assets held under finance leases	88,121	77,741
Loss on disposal of tangible fixed assets	24,072	677
Auditors' remuneration – audit fee	37,980	36,860
Auditors' remuneration – fees for non-audit services	12,538	12,445
	<u>192,429</u>	<u>251,602</u>

6 Employees

The average number of employees (including the director) during the year was as follows:-

	2016	2015
	Number	Number
Operatives, including apprentices and trainees	36	33
Site agents	26	25
Office and management	48	46
	<u>110</u>	<u>104</u>

	2016	2015
	£	£
Staff costs:		
Wages and salaries	4,803,398	4,564,314
Social security costs	540,821	523,385
Other pension costs	292,326	251,570
	<u>5,636,545</u>	<u>5,339,269</u>

R DURTNELL & SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

7 Director's emoluments

	2016 £	2015 £
Emoluments	<u>23,302</u>	<u>24,953</u>

Only the directors of the trading subsidiary company accrued benefits under defined pension contribution schemes.

8 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	17,953	15,417
Interest on finance leases and hire purchase contracts	<u>10,889</u>	<u>11,504</u>
	<u>28,842</u>	<u>26,921</u>

9 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	<u>-</u>	<u>4,720</u>
Deferred tax		
Origination and reversal of timing differences	<u>4,228</u>	<u>11,323</u>
Total tax charge	<u>4,228</u>	<u>16,043</u>

The charge for the year can be reconciled to the (loss)/profit per the profit and loss account as follows:

	2016 £	2015 £
(Loss)/profit before taxation	<u>(192,867)</u>	<u>50,100</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015 : 20.00%)	(38,573)	10,020
Tax effect of expenses that are not deductible in determining taxable profit:		
Expenses not deductible for tax purposes	8,260	7,306
Gains not taxable	-	(1,455)
Fixed asset differences	171	172
Effect of change in tax rate on deferred tax	<u>34,370</u>	<u>-</u>
Tax expense for the year	<u>4,228</u>	<u>16,043</u>

R DURTNELL & SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Tangible fixed assets - Group

	Leasehold property £	Plant machinery, equipment and fixtures £	Motor vehicles £	Total £
Cost or valuation:				
At 1 January 2016	1,321,449	1,185,438	809,286	3,316,173
Additions	-	75,023	54,602	129,625
Disposals	-	(112,145)	(137,957)	(250,102)
At 31 December 2016	1,321,449	1,148,316	725,931	3,195,696
Depreciation:				
At 1 January 2016	1,373	867,166	442,408	1,310,947
Provision for the year	858	98,125	118,857	217,840
Adjustments for disposals	-	(110,691)	(99,259)	(209,950)
At 31 December 2016	2,231	854,600	462,006	1,318,837
Net book value:				
At 31 December 2016	1,319,218	293,716	263,925	1,876,859
At 31 December 2015	1,320,076	318,272	366,878	2,005,226

Tangible fixed assets include assets held under finance leases or hire purchase contracts with a net book value of £249,505 (2015 : £268,813), analysed as follows:

	2016 £	2015 £
Plant and machinery	102,053	49,778
Motor vehicles	147,452	219,035
	249,505	268,813

The depreciation charge for the year includes £88,121 (2015 : £77,741) in respect of assets held under finance leases or hire purchase contracts, analysed as follows:

	2016 £	2015 £
Plant and machinery	31,727	13,914
Motor vehicles	56,394	63,827
	88,121	77,741

The net book value of leasehold property includes £19,218 (2015 : £20,076) in respect of short leasehold improvements.

R DURTNELL & SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Tangible fixed assets – Group

(Continued)

The comparable amounts of long leasehold property included above at valuation determined according to the historical cost accounting rules are as follows:-

	2016 £	2015 £
<u>Cost:</u>		
Long leasehold property	1,250,000	1,250,000
<u>Net book value:</u>		
Long leasehold property	1,250,000	1,250,000

The freehold title to the long leasehold property is owned by a related undertaking, Durtnell Limited (see note 24(ii)).

The long leasehold property was valued as at 31 December 2015 on an open market value basis, subject to existing use, by Messrs Howard Cundey, Chartered Surveyors. In the opinion of the directors there has been no material change in the value recognised previously and there is, therefore, no revaluation in respect of the leasehold property in these financial statements.

11 Investments - Company

	£
Shares in subsidiary undertakings at cost	
At 1 January 2016	20,009
Additions	1
At 31 December 2016	20,010

	Country of incorporation, registration and operation	Class of shares held	Percentage of shares held	Nature of business
R Durtnell & Sons Limited	England	(Ordinary (Redeemable (preference	100%	Building contractors
Durtnell Joinery Limited	England	(Ordinary	100%	Dormant

On 30 December 2002 the company acquired R Durtnell & Sons Limited in exchange for 18,000 'A' shares of £1 each and 2,009 'B' shares of £1 each. The investment in R Durtnell & Sons Limited has been included in the company's balance sheet at its book value at the date of acquisition, in accordance with the principles of merger accounting.

Durtnell Joinery Limited commenced trading on 1 January 2016.

12 Stocks - Group

	2016 £	2015 £
Raw materials and consumables	51,813	32,883
Trading stock	-	301,758
	51,813	334,641

R DURTNELL & SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 Debtors

	2016 Group £	2016 Company £	2015 Group £	2015 Company £
Amounts falling due within one year:				
Amounts due from contract customers	5,956,007	-	4,872,924	-
Trade debtors	427,746	-	298,047	-
Amounts owed by related undertakings	450,659	125,000	194,530	125,000
Other debtors	555,655	-	32,610	-
Prepayments and accrued income	169,337	-	135,939	-
Corporation tax recoverable	28,327	-	28,327	-
	<u>7,587,731</u>	<u>125,000</u>	<u>5,562,377</u>	<u>125,000</u>
Amounts falling due after more than one year:				
Amounts due from contract Customers	705,514	-	586,788	-
Amounts owed by related undertakings due after one year	314,583	-	306,250	-
Deferred tax (note 17)	194,767	-	198,995	-
	<u>1,214,864</u>	<u>-</u>	<u>1,092,033</u>	<u>-</u>
Total debtors	<u>8,802,595</u>	<u>125,000</u>	<u>6,654,410</u>	<u>125,000</u>

14 Creditors: amounts falling due within one year

	2016 Group £	2016 Company £	2015 Group £	2015 Company £
Bank loan	-	-	100,000	-
Obligations under finance leases	106,792	-	107,170	-
Trade creditors	9,635,794	-	7,656,961	-
Amounts due to contract customers	117,661	-	371,430	-
Amount owed to group undertakings	-	1	-	-
Other creditors	127,097	-	141,592	-
Corporation tax	4,720	-	4,720	-
Other taxation and social security costs	235,663	-	499,831	-
Accruals and deferred income	53,687	-	52,257	-
	<u>10,281,414</u>	<u>1</u>	<u>8,933,961</u>	<u>-</u>

The bank overdraft facility is secured by a legal mortgage over the group's long leasehold property. The bank loan, which was repaid during the year, was also secured by a legal mortgage over the group's long leasehold property.

R DURTNELL & SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

15 Creditors: amounts falling due after more than one year

	2016 Group £	2016 Company £	2015 Group £	2015 Company £
Amounts falling due within one to two years:				
Obligations under finance leases	55,228	-	89,138	-
Trade creditors	406,570	-	370,010	-
Other creditors	25,490	-	27,274	-
	<u>487,288</u>	<u>-</u>	<u>486,422</u>	<u>-</u>

The current portion of these liabilities is included in creditors falling due within one year.

16 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	106,792	107,170
In two to five years	55,228	89,138
	<u>162,020</u>	<u>196,308</u>

Hire purchase creditors are secured upon the assets held under the contracts.

17 Deferred taxation - group

The following are the major deferred tax liabilities and assets recognised by the group and movements thereon:

	2016 £	2015 £
Balances:		
Accelerated capital allowances	(9,665)	(24,936)
Tax losses carried forward	198,823	218,909
Short term timing differences	5,609	5,022
Net asset	<u>194,767</u>	<u>198,995</u>

R DURTNELL & SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

17 Deferred taxation – group (Continued)

	2016 £	2015 £
Movements in the year:		
Asset at 1 January 2016	(198,995)	(210,318)
Charge to profit or loss	4,228	11,323
Asset at 31 December 2016	<u>(194,767)</u>	<u>(198,995)</u>

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. They are recognised using corporation tax rates of 17% to 20% reflecting the period during which the trading losses are expected to be used and other timing differences reverse (2015 : 20%).

The deferred tax liability in respect of accelerated capital allowances is expected to reverse over the life of the qualifying assets.

The potential deferred tax on the revaluation reserve balance is not material and has therefore not been provided in the above figures.

18 Retirement benefit scheme

Defined contribution schemes

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of group in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £292,326 (2015 : £251,750).

19 Share capital

	2016 and 2015 Allotted, issued and fully paid £
'A' Ordinary shares of £1 each	18,000
'B' Ordinary shares of £1 each	2,009
	<u>20,009</u>

The 'A' and 'B' Ordinary shares rank equally for dividends and return of capital on a winding up.

Under the Articles of Association of the company the 'A' ordinary shares shall not entitle the holders to receive notice of or to attend or vote at any general meeting of the company unless the business of the meeting includes the consideration of a resolution:-

- i) for winding up;
- ii) for reducing its capital;
- iii) to consider the sale of the business of the company; or

any other resolution affecting the rights attaching to the 'A' ordinary shares.

R DURTNELL & SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

20 Financial instruments

	2016 Group £	2016 Company £	2015 Group £	2015 Company £
Carrying amount of financial assets				
Debt instruments measured at undiscounted amount payable	<u>1,309,724</u>	<u>125,000</u>	<u>831,437</u>	<u>125,000</u>
Equity instruments measured at cost	<u>-</u>	<u>20,010</u>	<u>-</u>	<u>20,009</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>10,474,622</u>	<u>-</u>	<u>8,863,575</u>	<u>-</u>

21 Other reserves - Group

	Capital reserve £	Revaluation reserve £
At 1 January 2016 and 31 December 2016	<u>329,991</u>	<u>50,000</u>

The capital reserve arises upon consolidation using merger accounting principles and represents the excess of the nominal value of shares acquired in R Durnell & Sons Limited over the nominal value of shares issued.

22 Non-controlling interests

The non-controlling interests at 31 December 2016 relate to 'A' preference shares of £1 each issued by the trading subsidiary, R Durnell & Sons Limited. On 23 September 2016 275,000 'A' preference shares were allotted for cash to Durnell Limited. On 29 September 2016 475,000 'A' preference shares were allotted for cash to The Darenth River Ballast Company Limited. Both companies are related companies under common control. In view of the limited rights attaching to the 'A' preference shares they are classified as part of the capital and reserves of the group, but as non-controlling interests.

23 Cash generated from operations

	2016 £	2015 £
(Loss)/profit for the year	(197,095)	34,057
Adjustments for:		
Income tax expense recognised in profit or loss	4,228	16,043
Finance costs recognised in profit or loss	28,842	26,921
Investment income recognised in profit or loss	(41,444)	(56,316)
Loss/(profit) on disposal of tangible fixed assets	24,072	(6,600)
Depreciation and impairment of tangible fixed assets	217,840	201,620
Movement in working capital:		
Decrease in stocks	282,828	161,202
Decrease/(increase) in debtors	(2,152,413)	1,225,371
(Decrease)/increase in creditors	<u>1,482,607</u>	<u>(1,151,817)</u>
Cash (absorbed by)/generated from operations	<u>(350,535)</u>	<u>450,481</u>

R DURTNELL & SONS (HOLDINGS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2016****24 Related party transactions**

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows:

	2016 £	2015 £
Aggregate compensation	<u>675,384</u>	<u>631,440</u>

No guarantees have been given or received.

- i) During the year the director and five directors of the trading subsidiary company had personal trade accounts, which relate principally to building work carried out by the trading subsidiary company on their behalf. Various sums were invoiced during the course of the year and, in summary, the balances owed to that company at the beginning and end of the year were as follows:-

Description	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
P B Brook	(300)	9,020	885	7,835
J J Chandler	216	2,100	2,332	(16)
A W Durtnell	87,937	5,149	-	93,086
J A Durtnell	65,364	19,537	19,865	65,036
R Neal	3,501	-	959	2,542
S E Routh	-	821	814	7
	<u>156,718</u>	<u>36,627</u>	<u>24,855</u>	<u>168,490</u>

The balances are provided interest-free.

R DURTNELL & SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

24 Related party transactions

(Continued)

- ii) At 31 December 2016 Durnell Limited, a company under common control, owed £278,258 to R Durnell & Sons Limited (2015 : £24,184). Interest charged on the inter-company account amounted to £14 (2015 : £388).

During the year ended 31 December 2016 R. Durnell & Sons Limited was reimbursed by Durnell Limited with that company's share of salary costs totalling £40,630 (2015 : £21,589). Contract work amounting to £1,553,466 (2015 : £481,464) was also performed during the year by the subsidiary company in respect of properties owned by Durnell Limited. Included within amounts due from contract customers is £633,389 (2015 : amounts due to contract customers of £31,387) relating to these works.

R Durnell & Sons Limited was charged £30,300 (2015 : £24,050) by Durnell Limited in respect of rent.

- iii) At 31 December 2015 The Darenth River Ballast Company Limited, a company controlled by the shareholders of the company, owed £47,401 to R Durnell & Sons Limited (2015 : £20,346).

During the year R Durnell & Sons Limited was charged £Nil (2015 : £3,000) by The Darenth River Ballast Company Limited in respect of marketing functions.

During the previous year R Durnell & Sons Limited sold development property to The Darenth River Ballast Company Limited for its market value of £275,000.

The company was charged £59,000 (2015 : £87,000) by The Darenth River Ballast Company Limited in respect of rent.

During the previous year The Darenth River Ballast Company Limited purchased land from the subsidiary company for £800,000. £450,000 was payable on completion, with the remaining £350,000 payable over 14 years.

On 13 September 2016 it was resolved to defer capital repayment until the end of the loan term. A balance of £314,583 was still outstanding at 31 December 2016 (2015 : £331,250 of which £25,000 was due within one year and the remainder of £306,250 was due after one year (see note 13)). Interest is chargeable at 2% pa over bank base rate and £8,037 (2015 : £6,406) was received during the year.

Contract work amounting to £636,407 (2015 : £165,660) was subsequently carried out during the year in respect of this and other property owned by The Darenth River Ballast Company Limited. Included within amounts due from contract customers is £1,830 (2015 : £49,538) relating to these works.

- iv) Other creditors include the sum of £1,000 (2015 : £1,000) due to Ms A Durnell, the daughter of J A Durnell.
- v) At 31 December 2015 and 2016 debtors (note 13) include £125,000 due to the company from Durnell (Holdings) Limited, a company under common control.