

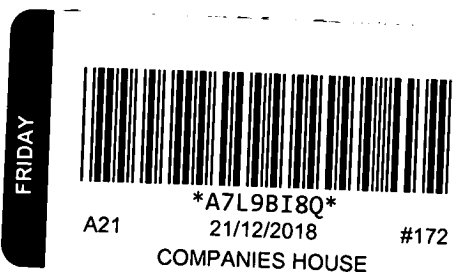
MCPHILLIPS (HOLDINGS) LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

WR

Whittingham Riddell

chartered accountants



MCPHILLIPS (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	D C Wauchope S MacKenzie A C Dunham R P Inions
Company secretary	D C Wauchope
Registered number	5025340
Registered office	Horton House Hortonwood 50 Telford Shropshire TF1 7FG
Independent auditors	Whittingham Riddell LLP Chartered Accountants & Statutory Auditors Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

MCPHILLIPS (HOLDINGS) LIMITED

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MCPHILLIPS (HOLDINGS) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

Introduction

The Directors present their Strategic Report for the year ended 30 September 2018.

Business review

The 2017-2018 year has seen the Company consolidate its position following the management buyout in February 2017.

Cash flow has remained strong throughout the year, and the Company balance sheets remain positive across the group.

Principal risks and uncertainties

As described above the principal risks and uncertainties are the demand within the various sectors in which the company operates and the prevailing weather conditions.

Financial key performance indicators

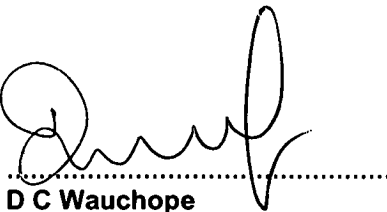
The Directors consider that the key financial performance indicators are those that demonstrate the activity, financial performance and position of the Company, being net assets and cash position. An analysis of the performance of the Company during the year and its position at the year end with reference to these key performance indicators is provided in the business review above.

Other key performance indicators

The Company uses a range of other performance indicators, including customer satisfaction, to monitor and measure performance within the industry on a regular basis.

This report was approved by the Board on 12/12/2018.

and signed on its behalf.


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D C Wauchope
Director

MCPHILLIPS (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

The Directors present their report and the financial statements for the year ended 30 September 2018.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,216,239 (2017 - £57,265).

A dividend of £1,250,000 has been paid in the year (2017: £nil dividend paid).

Directors

The Directors who served during the year were:

D C Wauchope
S MacKenzie
A C Dunham
R P Inions

Future developments

Please refer to the Strategic Report.

MCPHILLIPS (HOLDINGS) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

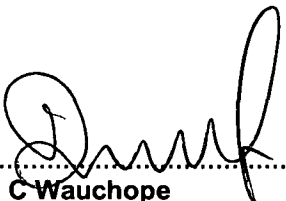
Post balance sheet events

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

Auditors

The auditors, Whittingham Riddell LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 12 / 12 / 2018, and signed on its behalf.


.....
D C Wauchope
Director

MCPHILLIPS (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MCPHILLIPS (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of McPhillips (Holdings) Limited (the 'Company') for the year ended 30 September 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

MCPHILLIPS (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MCPHILLIPS (HOLDINGS) LIMITED (CONTINUED)

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

MCPHILLIPS (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MCPHILLIPS (HOLDINGS) LIMITED (CONTINUED)

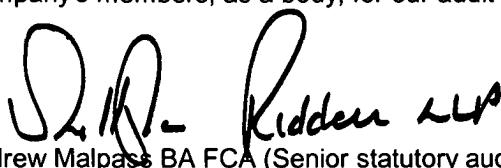
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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.



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of
Whittingham Riddell LLP

Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG
19 December 2018

MCPHILLIPS (HOLDINGS) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	251,154	371,846
Cost of sales		25,000	-
Gross profit		276,154	371,846
Administrative expenses		(10,226)	(282,914)
Operating profit	5	265,928	88,932
Income from shares in group undertakings		1,000,000	-
Interest receivable and similar income	8	1,292	16,000
Interest payable and expenses	9	-	(4,455)
Profit before taxation		1,267,220	100,477
Tax on profit	10	(50,981)	(43,212)
Profit for the financial year		1,216,239	57,265

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).


The notes on pages 11 to 22 form part of these financial statements.

MCPHILLIPS (HOLDINGS) LIMITED
REGISTERED NUMBER: 5025340

BALANCE SHEET
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	12	5,000	5,000
Investment property	13	2,000,000	2,000,000
		<u>2,005,000</u>	<u>2,005,000</u>
Current assets			
Stocks	14	2,194,127	2,194,127
Debtors: amounts falling due within one year	15	3,479,536	3,373,647
Cash at bank and in hand	16	122,307	350,474
		<u>5,795,970</u>	<u>5,918,248</u>
Creditors: amounts falling due within one year	17	(29,145)	(117,662)
Net current assets		<u>5,766,825</u>	<u>5,800,586</u>
Total assets less current liabilities		<u>7,771,825</u>	<u>7,805,586</u>
Net assets		<u><u>7,771,825</u></u>	<u><u>7,805,586</u></u>
Capital and reserves			
Called up share capital	19	5,000	5,000
Profit and loss account	20	7,766,825	7,800,586
		<u>7,771,825</u>	<u>7,805,586</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12/12/2018.



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D C Wauchope
 Director

The notes on pages 11 to 22 form part of these financial statements.

MCPHILLIPS (HOLDINGS) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2017	5,000	7,800,586	7,805,586
Comprehensive income for the year			
Profit for the year	-	1,216,239	1,216,239
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	1,216,239	1,216,239
Dividends: Equity capital	-	(1,250,000)	(1,250,000)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	(1,250,000)	(1,250,000)
	<hr/>	<hr/>	<hr/>
At 30 September 2018	5,000	7,766,825	7,771,825

The notes on pages 11 to 22 form part of these financial statements.

MCPHILLIPS (HOLDINGS) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2016	5,000	7,743,321	7,748,321
Comprehensive income for the year			
Profit for the year	-	57,265	57,265
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	57,265	57,265
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 September 2017	5,000	7,800,586	7,805,586

The notes on pages 11 to 22 form part of these financial statements.

MCPHILLIPS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. General information

McPhillips (Holdings) Limited are Civil Engineers operating in the United Kingdom.

The company is a private company limited by shares and is incorporated and domiciled in England.

The registered office is Horton House, Hortonwood 50, Telford, Shropshire, TF1 7FG.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.1(a).

This information is included in the consolidated financial statements of McPhillips 2016 Limited as at 30 September 2018 and these financial statements may be obtained from Companies House.

MCPHILLIPS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.3 Revenue

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

Rendering of services

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

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

2.4 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.5 Finance costs

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

2.6 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

MCPHILLIPS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Investment property

Investment property is carried at fair value reviewed annually by either external qualified valuers or the Directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

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

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

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

MCPHILLIPS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

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

2.14 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MCPHILLIPS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

2. Accounting policies (continued)

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the opinion of the directors there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

4. Turnover

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

	2018 £	2017 £
Civil Engineering Contracts	251,154	371,846
	<u>251,154</u>	<u>371,846</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	3,700	3,650
	<u>3,700</u>	<u>3,650</u>

MCPHILLIPS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

6. Employees

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

	2018 £	2017 £
Wages and salaries	-	106,327
Social security costs	-	13,850
	<u>-</u>	<u>120,177</u>

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

	2018 No.	2017 No.
Directors	<u>-</u>	<u>3</u>

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	-	106,327
	<u>-</u>	<u>106,327</u>

8. Interest receivable

	2018 £	2017 £
Other interest receivable	1,292	16,000
	<u>1,292</u>	<u>16,000</u>

9. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	-	4,455
	<u>-</u>	<u>4,455</u>

MCPHILLIPS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	50,981	43,212
Total current tax	<u>50,981</u>	<u>43,212</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>50,981</u>	<u>43,212</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 19.5%) as set out below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>1,267,220</u>	<u>100,477</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2017 - 19.5%)	240,772	19,593
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	19,500
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	209	140
Non-taxable income	(190,000)	(32,836)
Capital gains	-	36,815
Total tax charge for the year	<u>50,981</u>	<u>43,212</u>

Factors that may affect future tax charges

At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate at 19% (effective 1 April 2017) and 18% (effective 1 April 2020). At Budget 2016, the government announced a further reduction to the Corporation Tax main rate to 17% (effective 1 April 2020) and this rate was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

MCPHILLIPS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

11. Dividends

	2018 £	2017 £
Dividends paid on equity capital	1,250,000	-
	<u>1,250,000</u>	<u>-</u>

12. Fixed asset investments

	Investments in Subsidiary Companies £
Cost or valuation	
At 1 October 2017	5,000
	<u>5,000</u>
At 30 September 2018	5,000
	<u>5,000</u>
Net book value	
At 30 September 2018	5,000
	<u>5,000</u>
At 30 September 2017	5,000
	<u>5,000</u>

MCPHILLIPS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
McPhillips (Wellington) Limited	Ordinary	100 %	Civil Engineers

The aggregate of the share capital and reserves as at 30 September 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
McPhillips (Wellington) Limited	9,921,810	762,894
	<u>9,921,810</u>	<u>762,894</u>

13. Investment property

	Freehold investment property £
Valuation	
At 1 October 2017	2,000,000
At 30 September 2018	<u>2,000,000</u>

The investment property was valued by BNP Paribas Real Estate UK on 22 November 2016 on an open market existing use basis. The directors confirm this valuation is still appropriate.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2018 £	2017 £
Historic cost	1,500,000	1,500,000
	<u>1,500,000</u>	<u>1,500,000</u>

MCPHILLIPS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

14. Stocks

	2018 £	2017 £
Development stock	2,194,127	2,194,127
	<u>2,194,127</u>	<u>2,194,127</u>

15. Debtors

	2018 £	2017 £
Trade debtors	56,483	52,931
Amounts owed by group undertakings	3,420,716	3,320,716
Other debtors	2,337	-
	<u>3,479,536</u>	<u>3,373,647</u>

16. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	122,307	350,474
	<u>122,307</u>	<u>350,474</u>

17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	1,180
Corporation tax	-	43,212
Other taxation and social security	2,790	2,440
Other creditors	-	22,655
Accruals and deferred income	26,355	48,175
	<u>29,145</u>	<u>117,662</u>

There is a fixed and floating charge over all present freehold and leasehold property within McPhillips (Holdings) Limited, securing loans made from previous directors to group companies.

MCPHILLIPS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

18. Financial instruments

	2018	2017
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>3,477,198</u>	<u>3,373,647</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(26,355)</u>	<u>(72,010)</u>

Financial assets that are debt instruments measured at amortised cost comprise of trade and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

MCPHILLIPS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

19. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
5,000 (2017 - 5,000) Ordinary shares of £1.00 each	<u>5,000</u>	<u>5,000</u>

20. Reserves

Profit & loss account

The movement in the reserves comprises total company profits, less dividends.

21. Contingent liabilities

The Company is part of a Composite Company Limited Multilateral Guarantee dated 6 February 2017 given by McPhillips 2016 Limited, McPhillips (Holdings) Limited and McPhillips (Wellington) Limited.

22. Controlling party

The company is controlled by the McPhillips 2016 Limited, a company incorporated in England, who own 100% of the issued share capital. Copies of the McPhillips 2016 Limited Group accounts can be obtained from Companies House.