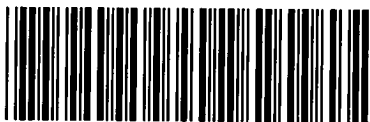


SPELLER METCALFE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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SPELLER METCALFE LIMITED

COMPANY INFORMATION

Directors	S. R. Speller A. J. Metcalfe M. E. Clarke D. J. P. O'Neill (appointed 17 January 2017)
Company secretary	M. E. Clarke
Registered number	06740881
Registered office	Maple Road Enigma Business Park Malvern Worcestershire WR14 1GQ
Solicitors	Harrison Clark Rickerbys 5 Deansway Worcester Worcestershire WR1 2JG
Independent auditor	Crowe Clark Whitehill LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Bankers	Handelsbanken The Triangle Wildwood Drive Worcester WR5 2QX
Financial Advisers	McCarthy Taylor Limited 100 High Street Evesham Worcestershire WR11 4EU

SPELLER METCALFE LIMITED

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SPELLER METCALFE LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

Business review

The Group's principal activity continues to be that of building contractors, undertaking construction projects across a variety of sectors including education, retail, healthcare, industrial, sports and leisure, automotive and housing.

Turnover across the Group increased 14% on the previous year in line with expectations. Turnover is expected to increase further in 2017-18 and beyond having secured some large and prestigious contracts and having been appointed to a number of national and local frameworks. The Group continues to invest for future growth and success by appointing key staff.

The directors feel the Company and its subsidiaries performed well during the year achieving an improvement in both gross and nett profit margins. Pre-tax profit increased over 50% from 0.65% to 1% helped by a previously loss-making subsidiary being returned to profitability.

Principal risks and uncertainties

The key risk facing the business is that new contracts will not be secured. However, the outlook is favourable with forward workload levels remaining healthy as contracts are won locally and nationally. At 29 August 2017 the group has already secured 82% of its target workload for 2017/18.

Financial key performance indicators

The Group measures its financial performance for the year using the following indicators:

	2016-17	2015-16
Growth/ (decline) in turnover	14%	(7%)
Gross profit %	9.2%	8.9%
Profit before tax %	1.0%	0.65%
Average cash balances during the year	£7.1m	£5.7m

SPELLER METCALFE LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Other key performance indicators

The Group measures its non-financial performance using the following indicators:

	2017	2016
Considerate Constructors Scheme		
Speller Metcalfe average site score	36.77/50	36.10/50
National average site score	35.83/50	35.30/50

As a result of consistently higher than national average scores the Group has been accepted as Associate Member of the Considerate Constructors Scheme.

	2017	2016
Site waste recycling		
Percentage of construction waste diverted from landfill	92.54%	95.03%
Health and Safety		
Accident frequency rate per 100,000 hours	0.0026	0.0119

Employment policies

The Group also places great importance on ensuring that Health and Safety regulations are complied with in order to maintain the safety of its employees and other site visitors. Speller Metcalfe Malvern Limited and Speller Metcalfe Gloucester have achieved OHSAS 18001: 007, an occupational Health and Safety recognition for our investment in the workforce.

The Group has achieved Silver Standard accreditation with Investors in People.

Environmental matters

The Group acknowledges that its activities have an impact on the environment and strives to minimise any harmful effect by adopting a responsible attitude to these issues. The company is ISO 14001 accredited. All relevant legislation and regulations are met, and where practicable exceeded.

Future developments

Andy Metcalfe has publicly announced that he will be retiring from the company. His retirement will be effective from 1 April 2018, where he will be relinquishing his ownership status and role heading up Speller Metcalfe Gloucester.

There are no other significant future developments anticipated.

This report was approved by the board on 29 August 2017 and signed on its behalf.


M. E. Clarke
Secretary

SPELLER METCALFE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The Directors present their report and the financial statements for the year ended 31 March 2017.

Directors

The Directors who served during the year were:

S. R. Speller
A. J. Metcalfe
M. E. Clarke
D. J. P. O'Neill (appointed 17 January 2017)

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group 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 £953,124 (2016 - £553,441).

Disclosure of information to auditor

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 and the Group's auditor is 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 and the Group's auditor is aware of that information.

SPELLER METCALFE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Post balance sheet events

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

Auditor

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 August 2017 and signed on its behalf.



M. E. Clarke
Secretary

SPELLER METCALFE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPELLER METCALFE LIMITED

We have audited the financial statements of Speller Metcalfe Limited for the year ended 31 March 2017, set out on pages 7 to 28. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's shareholders, 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 shareholders those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/UKNP.

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 March 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

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


SPELLER METCALFE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPELLER METCALFE LIMITED
(CONTINUED)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Dave Darlaston (Senior Statutory Auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

29 August 2017

SPELLER METCALFE LIMITED

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Turnover	4	118,193,115	103,799,802
Cost of sales		107,187,342	(94,463,398)
Gross profit		11,005,773	9,336,404
Administrative expenses		(9,821,999)	(8,724,407)
Other operating income	5	24,227	34,795
Operating profit	6	1,208,001	646,792
Interest receivable and similar income	10	5,190	38,229
Interest payable and expenses	11	-	(170)
Profit before tax		1,213,191	684,851
Tax on profit	12	(260,067)	(131,410)
Profit after tax		953,124	553,441
Retained earnings at the beginning of the year		2,287,929	1,814,488
Profit for the year attributable to the owners of the parent		953,124	553,441
Dividends declared and paid		(40,000)	(80,000)
Retained earnings at the end of the year		3,201,053	2,287,929
Non-controlling interest at the end of the year			

The notes on pages 11 to 28 form part of these financial statements.

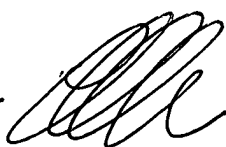
SPELLER METCALFE LIMITED
REGISTERED NUMBER: 06740881

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	14	80	134
Tangible assets	15	865,067	781,293
		<u>865,147</u>	<u>781,427</u>
Current assets			
Stocks		2,037,339	912,816
Debtors: amounts falling due within one year	18	25,923,032	19,305,351
Current asset investments	19	165,000	207,983
Cash at bank and in hand		5,920,373	5,468,988
		<u>34,045,744</u>	<u>25,895,138</u>
Creditors: amounts falling due within one year	20	(30,331,101)	(23,170,999)
Net current assets		<u>3,714,643</u>	<u>2,724,139</u>
Total assets less current liabilities		<u>4,579,790</u>	<u>3,505,566</u>
Provisions for liabilities			
Deferred taxation	22	(69,551)	(62,106)
Other provisions	23	(1,209,186)	(1,055,531)
		<u>(1,278,737)</u>	<u>(1,117,637)</u>
Net assets		<u><u>3,301,053</u></u>	<u><u>2,387,929</u></u>
Capital and reserves			
Called up share capital	24	100,000	100,000
Profit and loss account		3,201,053	2,287,929
		<u><u>3,301,053</u></u>	<u><u>2,387,929</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 August 2017.

S. R. Speller
 Director



A. J. Metcalfe
 Director



The notes on pages 11 to 28 form part of these financial statements.

SPELLER METCALFE LIMITED
REGISTERED NUMBER: 06740881

COMPANY BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	15	424,076	362,163
Investments	16	150,001	150,001
		<u>574,077</u>	<u>512,164</u>
Current assets			
Debtors: amounts falling due within one year	18	1,459,790	1,447,980
Current asset investments	19	165,000	207,983
Cash at bank and in hand		97,602	328,924
		<u>1,722,392</u>	<u>1,984,887</u>
Creditors: amounts falling due within one year	20	(1,398,740)	(1,597,489)
Net current assets		<u>323,652</u>	<u>387,398</u>
Total assets less current liabilities		<u>897,729</u>	<u>899,562</u>
Provisions for liabilities			
Deferred taxation	22	(15,027)	(11,166)
Net assets		<u>882,702</u>	<u>888,396</u>
Capital and reserves			
Called up share capital	24	100,000	100,000
Profit and loss account		782,702	788,396
		<u>882,702</u>	<u>888,396</u>

The profit for the financial year dealt with in the financial statement of the parent company was £34,307 (2016: £73,339).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 August 2017.

S. R. Speller
Director



A. J. Metcalfe
Director



The notes on pages 11 to 28 form part of these financial statements.

SPELLER METCALFE LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	953,124	553,441
Adjustments for:		
Amortisation of intangible assets	54	26
Depreciation of tangible assets	184,498	176,701
Impairment of current asset investment	42,983	-
Loss/(profit) on disposal of tangible assets	41	(12,100)
Interest paid	-	170
Interest received	(5,190)	(38,229)
Taxation charge	260,067	131,410
Increase in debtors	(7,719,352)	(298,046)
Increase/(decrease) in creditors	7,195,594	(2,333,001)
Increase in provisions	153,655	204,406
Corporation tax paid	(310,966)	(113,909)
Net cash generated from operating activities	754,508	(1,729,131)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(160)
Purchase of tangible fixed assets	(268,313)	(149,165)
Sale of tangible fixed assets	-	12,100
Interest received	5,190	38,229
Net cash from investing activities	(263,123)	(98,996)
Cash flows from financing activities		
Dividends paid	(40,000)	(80,000)
Interest paid	-	(170)
Net cash used in financing activities	(40,000)	(80,170)
Net increase/(decrease) in cash and cash equivalents	451,385	(1,908,297)
Cash and cash equivalents at beginning of year	5,468,988	7,377,285
Cash and cash equivalents at the end of year	5,920,373	5,468,988
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,920,373	5,468,988

SPELLER METCALFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Speller Metcalfe Limited is a company registered in England and Wales, registration number 06740881. The registered office is Maple Road, Enigma Business Park, Malvern, Worcestershire, WR14 1GQ.

Speller Metcalfe Limited acts as a holding company and provides management and administration services to its subsidiary undertakings. The principal activity of its subsidiary undertakings is that of building contractors.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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.

2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

The Directors have considered the Company's position at the balance sheet date, reviewed forecasts of turnover, expenditure and cash flows together with the ongoing order book and have concluded that preparation of the financial statements on a going concern basis is appropriate.

2.4 Turnover

Turnover comprises both the invoiced value of goods and services supplied, exclusive of Value Added Tax and Trade discounts, driven by third party surveyor valuations, adjusted for unbilled amounts recoverable on contracts calculated by internal surveyor valuations.

Turnover on non-contract housing projects is recognised upon the exchange of contracts of each property sale.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life.

The estimated useful lives range as follows:

Software	-	5	years
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SPELLER METCALFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	- 2% straight line
Motor vehicles	- 20% - 25% straight line
Plant, fixtures & fittings	- 20% - 25% straight line

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 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.

2.9 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, and loans to related parties.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Amounts recoverable on contracts, which are included in debtors, are stated at cost plus attributable profit less provision for foreseeable losses. Surveyor valuations of individual contracts are used as the basis for establishing the attributable profit or foreseeable loss at the balance sheet date.

Creditors

Short term creditors are measured at the transaction price.

Payments received on account are deducted from amounts recoverable on contracts. Excess progress payments are included in creditors as payments received on account.

SPELLER METCALFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.10 Share options

The Company operates an Enterprise Management Incentive (EMI) share option scheme. Where material these options are accounted for in accordance with applicable accounting standards.

2.11 Provisions for liabilities

Provisions are charged as an expense to the Income Statement in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into accounts relevant risks and uncertainties.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made included:

Recognition of contracts:

Internal and third party surveyors valuations of individual contracts are used as the basis for establishing turnover and the attributable profit or foreseeable loss recognised at the balance sheet date. Amounts recoverable on contracts, which are included in debtors, arise where internal surveyor valuations are in excess of third party valuations. Third party valuations in excess of internal valuations are deducted from turnover and included within creditors as payments on account.

A specific provision for maintenance costs is allocated to each contract based on an internal surveyor's judgement and experience.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Group.

All turnover arose within the United Kingdom.

5. Other operating income

	2017 £	2016 £
Other operating income	4,227	14,596
Rental income	20,000	20,199

SPELLER METCALFE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	184,498	176,701
Amortisation of intangible assets, including goodwill	54	26
Operating lease rentals	296,457	207,398
	<u>296,457</u>	<u>207,398</u>

7. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	34,250	32,616
Other services relating to taxation and accounting matters	12,625	16,830
	<u>12,625</u>	<u>16,830</u>

8. Employees

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

	2017 £	2016 £
Wages and salaries	9,346,401	8,441,045
Social security costs	1,046,295	942,318
Cost of defined contribution scheme	585,997	499,389
	<u>10,978,693</u>	<u>9,882,752</u>

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

	2017 No.	2016 No.
Management and administration	117	111
Site operatives and supervisors	89	92
	<u>206</u>	<u>203</u>

SPELLER METCALFE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	444,883	351,729
Company contributions to defined contribution pension schemes	54,912	10,646
	<u>499,795</u>	<u>362,375</u>

During the year retirement benefits were accruing to 4 Directors (2016 - 3 in respect of defined contribution pension schemes).

The highest paid Director received remuneration of £159,447 (2016 - £136,220).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £nil (2016 - £nil).

10. Interest receivable

	2017 £	2016 £
Bank & other interest receivable	<u>5,190</u>	<u>38,229</u>

11. Interest payable and similar charges

	2017 £	2016 £
Bank & other interest payable	<u>-</u>	<u>170</u>

SPELLER METCALFE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. Taxation

	2017	2016
Corporation tax		
Current tax on profits for the year	241,420	136,473
Adjustments in respect of previous periods	11,202	(8,478)
Total current tax	252,622	127,995
Deferred tax		
Origination and reversal of timing differences	17,526	(1,147)
Adjustments in respect of previous periods	(10,081)	4,562
Total deferred tax	7,445	3,415
Taxation on profit on ordinary activities	260,067	131,410

PELLER METCALFE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. Taxation (continued)

Factors affecting tax charge for the year

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

	2017	2016
Profit on ordinary activities before tax	<u>1,213,191</u>	<u>684,851</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	242,638	136,970
Effects of:		
Expenses not deductible for tax purposes	23,036	6,097
Other short term timing differences	-	(840)
Adjustments to corporate tax charge in respect of prior periods	11,202	(8,478)
Adjustments to deferred tax charge in respect of prior periods	(10,081)	4,562
Adjust deferred tax to average rate of 20.00%	(6,728)	(6,901)
Total tax charge for the year	<u>260,067</u>	<u>131,410</u>

SPELLER METCALFE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. Taxation (continued)

Factors that may affect future tax charges

Deferred tax has been provided at 17% (2016 - 18%) as this is the rate at which the Directors expect these timing differences to reverse.

There were no other factors that may affect future charges.

13. Dividends

	2017	2016
	£	£
Dividends paid	40,000	80,000

SPELLER METCALFE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. Intangible assets

Group and Company

	Software £
Cost	
At 1 April 2016	160
	<hr/>
At 31 March 2017	160
	<hr/>
Amortisation	
At 1 April 2016	26
Charge for the year	54
	<hr/>
At 31 March 2017	80
	<hr/>
Net book value	
At 31 March 2017	80
	<hr/> <hr/>
At 31 March 2016	134
	<hr/> <hr/>

SPELLER METCALFE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

15. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Plant, fixtures & fittings £	Total £
Cost				
At 1 April 2016	337,221	628,258	1,153,726	2,119,205
Additions	-	126,580	141,733	268,313
Disposals	-	(35,792)	(648)	(36,440)
At 31 March 2017	<u>337,221</u>	<u>719,046</u>	<u>1,294,811</u>	<u>2,351,078</u>
Depreciation				
At 1 April 2016	9,489	458,166	870,257	1,337,912
Charge for the year	4,744	61,172	118,582	184,498
Disposals	-	(35,792)	(607)	(36,399)
At 31 March 2017	<u>14,233</u>	<u>483,546</u>	<u>988,232</u>	<u>1,486,011</u>
Net book value				
At 31 March 2017	<u>322,988</u>	<u>235,500</u>	<u>306,579</u>	<u>865,067</u>
At 31 March 2016	<u>327,732</u>	<u>170,092</u>	<u>283,469</u>	<u>781,293</u>

Included in land buildings is freehold land of £100,000 which is not depreciated.

SPELLER METCALFE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

15. Tangible fixed assets (continued)

Company

	Freehold property £	Motor vehicles £	Plant, fixtures & fittings £	Total £
Cost				
At 1 April 2016	337,221	-	137,318	474,539
Additions	-	52,832	35,944	88,776
At 31 March 2017	<u>337,221</u>	<u>52,832</u>	<u>173,262</u>	<u>563,315</u>
Depreciation				
At 1 April 2016	9,489	-	102,887	112,376
Charge for the year on owned assets	4,744	3,522	18,597	26,863
At 31 March 2017	<u>14,233</u>	<u>3,522</u>	<u>121,484</u>	<u>139,239</u>
Net book value				
At 31 March 2017	<u>322,988</u>	<u>49,310</u>	<u>51,778</u>	<u>424,076</u>
At 31 March 2016	<u>327,732</u>	<u>-</u>	<u>34,431</u>	<u>362,163</u>

Included in land buildings is freehold land of £100,000 which is not depreciated.

SPELLER METCALFE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

16. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Speller Metcalfe Malvern Limited	Ordinary	100 %
Speller Metcalfe Gloucester Limited	Ordinary	100 %
Speller Metcalfe London Limited	Ordinary	100 %
Speller Metcalfe Living Limited	Ordinary	100 %

The registered office of all subsidiaries is Maple Road, Enigma Business Park, Malvern, Worcestershire, WR14 1GQ.

Company

	Investments in subsidiary companies £
Cost	
At 1 April 2015 and 1 April 2016	150,001
Net book value	
At 31 March 2017	150,001
	<u>150,001</u>
At 31 March 2016	<u>150,001</u>

17. Stocks

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Work in progress (goods to be sold)	2,037,339	<i>912,816</i>	-	-
	<u>2,037,339</u>	<u><i>912,816</i></u>	<u>-</u>	<u>-</u>

SPELLER METCALFE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

18. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	13,721,879	6,512,286	-	389
Amounts owed by group undertakings	-	-	183,354	193,480
Other debtors	4,431,702	2,700,808	1,018,871	970,885
Prepayments and accrued income	385,506	434,215	257,565	283,226
Amounts recoverable on long term contracts	7,383,945	9,658,042	-	-
	25,923,032	19,305,351	1,459,790	1,447,980

19. Current asset investments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Land for resale	165,000	207,983	165,000	207,983

20. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Payments received on account	2,310,126	1,698,564	-	-
Trade creditors	26,176,087	19,272,496	26,421	31,293
Amounts owed to group undertakings	-	-	479,131	792,655
Corporation tax	287,605	323,097	58,711	205,623
Other taxation and social security	838,486	1,324,742	223,721	170,868
Other creditors	342,681	346,994	285,194	287,893
Accruals and deferred income	376,116	205,106	325,562	109,157
	30,331,101	23,170,999	1,398,740	1,597,489

SPELLER METCALFE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

21. Financial instruments

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>24,204,096</u>	<u>25,084,788</u>	<u>1,429,969</u>	<u>1,309,448</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(28,210,990)</u>	<u>(20,880,127)</u>	<u>(1,128,913)</u>	<u>(1,220,998)</u>

Financial assets measured at amortised cost comprise of trade debtors, amounts recoverable on contracts and cash.

Financial liabilities measured at amortised cost comprise of contract provisions, trade creditors, amounts owed to group undertakings, other creditors and accruals.

22. Deferred taxation

Group

	2017 £	<i>2016 £</i>
At beginning of year	62,106	58,691
Charged to profit or loss	7,445	3,415
At end of year	<u>69,551</u>	<u>62,106</u>

SPELLER METCALFE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

22. Deferred taxation (continued)

Company

	2017 £	2016 £
At beginning of year	11,166	8,632
Charged to profit or loss	3,861	2,534
At end of year	15,027	11,166

The provision for deferred taxation is made up as follows:

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Fixed asset timing differences	69,551	62,274	15,027	11,166
Short term timing differences	-	(168)	-	-
	69,551	62,106	15,027	11,166

23. Provisions

Group

	Maintenance provision £
At 1 April 2016	1,055,531
Charged to profit or loss	153,655
At 31 March 2017	1,209,186

SPELLER METCALFE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

24. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

The Company has share options in issue under the Speller Metcalfe Limited Enterprise Management Incentives Share Option Scheme. On 21 February 2012, the Company granted 11,428 share options at an exercise price of £35 per share. The options are exercisable in the ten year period from date of granting, subject to certain criteria being met. £2,857 share options were cancelled on the retirement of Tony Shaw at 31 March 2016. There are 8,571 options outstanding at 31 March 2017.

25. Contingent liabilities

Various Surety guarantees have been issued on behalf of Group companies:

At the year end Surety guarantees issued to Speller Metcalfe Malvern Limited amounted to £4,581,830 (2016 - £4,660,021).

At the year end Surety guarantees issued to Speller Metcalfe Gloucester Limited amounted to £2,441,602 (2016 - £608,096).

At the year end Surety guarantees issued to Speller Metcalfe Living Limited amounted to £682,714 (2016 - £1,431,381).

Parent Company guarantees issued on behalf of Group companies amounted to £625,649 (2016 - £158,078).

26. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Group amounting to £167,353 (2016 - £173,475). At the year end there were outstanding contributions of £71,694 (2016 - £nil).

SPELLER METCALFE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

27. Commitments under operating leases

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Land and buildings				
Not later than 1 year	210,185	141,744	60,000	60,000
Later than 1 year and not later than 5 years	601,526	525,650	105,000	165,000
Later than 5 years	163,000	228,200	-	-
	974,711	895,594	165,000	225,000
	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Other				
Not later than 1 year	176,216	148,907	143,502	69,277
Later than 1 year and not later than 5 years	195,568	371,784	192,248	335,750
	371,784	520,691	335,750	405,027

SPELLER METCALFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

28. Related party transactions

During the year, the Group provided a loan advance of £100,000 (2016 - £250,000) to a director, A J Metcalfe. Included in other debtors is a directors loan account, at the year end the balance due from A J Metcalfe was £339,300 (2016 - £254,871).

During the year, the Group provided a loan of £nil (2016 - 413,160) to a director, S R Speller. Included in other debtors is a director's loan account, at the year end the balance due from S R Speller was £452,304 (2016: £446,212).

D J P O'Neill (Director of Speller Metcalfe Limited) had an overdrawn loan account at the year end of £1,146 (2016 - £Nil).

M E Clarke (Director of Speller Metcalfe Limited) had an overdrawn loan account at the year end of £73 (2016 - £2).

W Cave-Browne-Cave (Director of Speller Metcalfe Malvern Limited) had an overdrawn loan account at the year end of £8,068 (2016 - £7,593).

A E Speller (Director of Speller Metcalfe Malvern Limited) had an overdrawn loan account at the end year of £Nil (2016: £63,287).

During the year the Group leased two properties from Speller Metcalfe Retirement Trust at a cost of £86,250 (2016 - £84,000).

Key Management Remuneration

The Directors are the only individuals who have authority and responsibility for planning, directing and controlling the activities of the Company and are considered to be key management personnel. Total remuneration in respect of these individuals is disclosed in note 9.