REGISTERED NUMBER: 06867406 (England and Wales)

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 March 2018

for

Hollybrook Limited

Contents of the Financial Statements for the Year Ended 31 March 2018

Company Information
for the Year Ended 31 March 2018

DIRECTORS:	Mr D M Cox Miss V A Cox Mr M Cox
SECRETARY:	Miss V A Cox
REGISTERED OFFICE:	19 Queen Elizabeth Street London SE1 2LP
REGISTERED NUMBER:	06867406 (England and Wales)
INDEPENDENT AUDITORS:	Gibsons Financial Limited Chartered Accountants Registered Auditors Foresters Hall 25/27 Westow Street Upper Norwood London SE19 3RY

Hollybrook Limited (Registered number: 06867406)

Strategic Report
for the Year Ended 31 March 2018

The directors present their strategic report for the year ended 31 March 2018.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company's financial key performance indicators are turnover, gross profit, net profit and cash reserves. Turnover for the year was £40.2m (2017 - £36.8m). Approximately 15% (2017 - 9%) of the company's turnover for the year was derived from transactions with fellow wholly owned subsidiary undertakings of Hollybrook (UK) Ltd.

For the year under review the company has achieved gross profits of £6.76m (2017 - £4.5m) and has reported net profits before tax of £4.3m (2017 - 2.5m).

Contracts that the company continues to work towards securing would generate revenue and profits for a three or four year period following the end of the year.

Year end cash reserves were £7.5m compared to £7m as at 31 March 2017.

There was a 14.6% net reduction year on year in funding provided by the company to various related parties. The funding is fluid and mostly short term in nature for site acquisitions and associated initial costs. The entities' development projects, all of which are expected to be profitable, usually have a build and sell cycle of no more than twenty-four months on average. The company's funding is usually repaid when the entities obtain replacement finance or at the end of the project build and sell cycle.

Strategic Report
for the Year Ended 31 March 2018

PRINCIPAL RISKS AND UNCERTAINTIES

The directors, who are responsible for internal control systems which identify and manage various risks that pose a threat to achieving the company's objectives, have identified below the principal risks below. These are not listed by order of importance.

(i) The general economic climate - there is a direct link between public confidence in the economy and the performance of the property sector. Sustained economic growth and generally favourable conditions currently being experienced in the United Kingdom are reflected in the company's performance and trading results for the year. Mortgage availability and affordability is a vital component that drives the housing market. The government's Help to Buy scheme has led to availability of higher loan-to-value mortgages which enables first time buyers to get on the property ladder. The extension of the Help to Buy scheme to the year 2020 provides certainty and stability in the housing market for the medium term, at least. The directors acknowledge that the ongoing negotiations over the exit of the United Kingdom from the European Union has introduced some uncertainty into the UK property market resulting in stagnation. The directors continue to momitor the situation.

(ii) Counterparty risk - the company is exposed to counterparty solvency risks of its customers, subcontractors and other suppliers. Subcontractor counterparty risk is mitigated by ensuring that only approprately qualified and insured subcontractors are used on the company's schemes. A review is always carried out on a scheme by scheme basis. Customer counterparty risk is managed by ensuring that, for contracts, payment for services rendered is received within 30 days of raising monthly invoices.

(iii) Legal & regulatory compliance matters - breaches of the law, regulations and contractual terms could lead to expensive sanctions and reputational damage. Serious breaches could impact on the company's ability to continue in business. The company retains the services of professionals in several disciplines to ensure compliance with all relevant statutes and other regulations.

(iv) Personnel - the company's ability to recruit, train and retain highly skilled and motivated members of staff is essential if it is to remain competitive and achieve its growth objectives. NVQ training is offered to site-based workers on some of the company's schemes. The company has longstanding relationships with most of its subcontractors and a low turnover of staff, a testament to the directors' efforts to ensure that working with the company is a positive and fulfilling experience in turn leading to a loyal and committed workforce delivering high levels of performance.

(v) Building Contracts - a significant portion of the company's income is derived from contracts with Housing Associations as well as educational and other institutions. This is a very competitive area of the property development sector. The company has invested significant resources to ensure that it maintains its position as one of the leading providers of this service in its chosen geographical market.

(vi) Land & property acquisition - the availability, quality and price of suitable land for development is of critical importance given the nature of the company's activities. It is ultimately the company's aim to, at any one time, have a minimum number of projects (own land for development and building contracts) to sustain it for a two or three year period. Finding and acquiring the right land, at the right time and at the right price is essential to maintaining the building cycle and ensuring that the company remains profitable in doing so. The company's experienced internal land department team and specialist external advisers ensure that the company's land acquisition strategy is effectively managed by conducting thorough pre-acquisition appraisals and viability studies and ensuring that all decisions concerning acquisitions are made at board level with the benefit of full information.

Strategic Report
for the Year Ended 31 March 2018

(vii) The Planning System - this goes hand in hand with the land and property acquisition risk referred to above. Obtaining necessary planning consents in a timely and efficient manner is important for the company to maintain its two to three year building cycle. The company's internal land department and specialist external, often local, advisers ensure the effective management of the planning application process.The Directors further ensure that the company is not overexposed to planning risks by limiting the total investment in sites without planning permission at any one time.

(viii) Financing - the company operates a policy of ensuring that, at all times, it has sufficient own funds and lines of access to other funding facilities to finance land acquisition and development. The company has established and maintains good relationships with third party financiers for this purpose.

(ix) Health, Safety & Environmental matters - compliance with Health and Safety law regulations and the Environmental Protection Act 1990 is fundamental to the company's reputation, existence and the safety of its employees, subcontractors and the general public at large. The company uses specialist external advisers to provide training to its site-based staff and subcontractors and also to monitor and ensure compliance with Health and Safety regulations. The company acknowledges the importance of responsible behaviour in relation to the environment and strives to minimise the environmental impact of all of its construction operations.

(x) Information Technology - in common with many businesses the efficient operation of the company's business is dependent on the proper operation and management of its IT systems.

The directors themselves and through delegated management, periodically review the effectiveness of the company's internal control systems to ensure that the principal risks faced by the business are adequately managed and controlled.

ON BEHALF OF THE BOARD:

Michael

Mr M Cox - Director

12 December 2018

Report of the Directors
for the Year Ended 31 March 2018

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2018.

FUTURE DEVELOPMENTS
The company aims to continue to develop quality residential and commercial property for existing and new property owners so as to achieve and maintain a position of being a leading property developer in its chosen geographical market.

DIRECTORS
The directors during the period under review were:

Mr D M Cox
Miss V A Cox
Mr M Cox - appointed 8 February 2018

The directors holding office at 31 March 2018 did not hold a direct interest in the issued share capital of the company as at 1 April 2017 or 31 March 2018..

POLITICAL DONATIONS AND EXPENDITURE
Charitable donations during the year amounted to £1,000. There were no donations to political parties during the year.

FINANCIAL RISK MANAGEMENT
Cash flows & Financing - the company operates a policy of ensuring that it has sufficient own funds and lines of access to other funding facilities to finance land acquisition and development. The company has established and maintains good relationships with third party financiers for this purpose.

Price risk, Credit risk, Interest risk - the company's design and build contracts are on a fixed price basis ensuring a low pricing risk. Contract work is invoiced periodically, usually monthly, in arrears and funds are received within 30 days of invoicing. Property sales are only recognised on legal completion at which point funds are transferred to the company. This minimises the company's exposure to credit risk. The company has interest bearing bank balances but, at the end of the year under review, no interest bearing liabilities.The term and terms of each interest-bearing instrument that the company enters into is determined by its requirement for cash at that point in time.

POST BALANCE SHEET EVENTS
There have been no significant events since 31 March 2018 which materially affect the company's results for the year, its financial position at the Balance Sheet date or which otherwise require disclosure in these financial statements.

Report of the Directors
for the Year Ended 31 March 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

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

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

AUDITORS
The auditors, Gibsons Financial Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Michael

Mr M Cox - Director

12 December 2018

Report of the Independent Auditors to the Members of Hollybrook Limited

Opinion

We have audited the financial statements of Hollybrook Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, 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 31 March 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 UK, including the FRC'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 in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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.

Report of the Independent Auditors to the Members of Hollybrook Limited

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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 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.

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 a Report of the Auditors 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 Report of the Auditors.

Report of the Independent Auditors to the Members of
Hollybrook Limited

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Ogunsola

Christopher Ogunsola FCA (Senior Statutory Auditor)
for and on behalf of Gibsons Financial Limited
Chartered Accountants
Registered Auditors
Foresters Hall
25/27 Westow Street
Upper Norwood
London
SE19 3RY

12 December 2018

Statement of Comprehensive Income
for the Year Ended 31 March 2018

	Notes	31/3/18 £	31/3/17 £
TURNOVER	3	40,216,944	36,869,069
Cost of sales		(33,456,505)	(32,370,586)
GROSS PROFIT		6,760,439	4,498,483
Administrative expenses		(2,214,194)	(2,036,342)
		4,546,245	2,462,141
Other operating income	4	87,055	94,961
Gain/loss on revaluation of investments		(31,528)	-
OPERATING PROFIT	7	4,601,772	2,557,102
Interest receivable and similar income		262,198	593,321
		4,863,970	3,150,423
Interest payable and similar expenses	8	(562,212)	(626,692)
PROFIT BEFORE TAXATION		4,301,758	2,523,731
Tax on profit	9	(791,135)	(461,036)
PROFIT FOR THE FINANCIAL YEAR		3,510,623	2,062,695
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,510,623	2,062,695

The notes form part of these financial statements

Hollybrook Limited (Registered number: 06867406)

Balance Sheet
31 March 2018

	Notes	31/3/18 £	31/3/17 £
FIXED ASSETS			
Tangible assets	10	256,015	265,086
Investments	11	968,395	-
		1,224,410	265,086
CURRENT ASSETS			
Stocks	12	4,674,271	4,100,630
Debtors	13	42,441,817	39,491,084
Cash at bank and in hand		7,511,520	6,983,298
		54,627,608	50,575,012
CREDITORS			
Amounts falling due within one year	14	(27,234,838)	(25,733,541)
NET CURRENT ASSETS		27,392,770	24,841,471
TOTAL ASSETS LESS CURRENT LIABILITIES		28,617,180	25,106,557
CAPITAL AND RESERVES			
Called up share capital	18	1,000	1,000
Retained earnings	19	28,616,180	25,105,557
SHAREHOLDERS' FUNDS		28,617,180	25,106,557

The financial statements were approved by the Board of Directors on 12 December 2018 and were signed on its behalf by:

Mr M Cox - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 March 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2016	1,000	23,042,862	23,043,862
Changes in equity			
Total comprehensive income	-	2,062,695	2,062,695
Balance at 31 March 2017	1,000	25,105,557	25,106,557
Changes in equity			
Total comprehensive income	-	3,510,623	3,510,623
Balance at 31 March 2018	1,000	28,616,180	28,617,180

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2018

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The directors consider that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

A review of the company's business activities together with details of the principal risks and uncertainties which pose a threat to the company's ability to achieve its objectives are contained in the Strategic report on pages 2 to 4.

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 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 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).

The financial statements of the company are consolidated in the financial statements of Hollybrook (UK) Limited. These consolidated financial statements are available from its registered office at 19 Queen Elizabeth Street, London SE1 2LP.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

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Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates
The preparation of these financial statements requires the directors to note judgements and estimates that affect the reported amount of assets and liabilities at the balance sheet date and the reported profits for the financial year.

(i) Contract income and profit - the valuation of percentage completion of contracts involves an estimation of the costs to complete and remaining revenues which may differ from the actual costs incurred and total revenues received on completion. Judgement is required to assess whether the total eventual profit on each contract can be foreseen with reasonable certainty.

(ii) Impairment of Debtors - the provision policy for impairment of amounts owing to the company, including financial instrument assets, is based on an ongoing evaluation of the collectability, aged analysis of the various amounts and the directors' judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these balances.

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

Turnover
Revenue is recognised to the extent thta it is probable that economic benefits will flow to the company and the revenue can be measured reliably.

Turnover relates to contract income; proceeds from the sale of properties and; related activities during the period. Contract Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value. This is usually based on independent professional surveys of work performed. Provision is made for the full amount of foreseeable losses on contracts. Turnover in respect of the sale of properties is recognised at the fair value of the consideration received or receivable on legal completion.

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

Plant & machinery	- 25% on reducing balance
Furniture, Fixtures & Fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Equipment	- 25% on reducing balance

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

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 credited or charged to profit and loss.

continued...

2. **ACCOUNTING POLICIES - continued**

Stocks
Stocks, comprising land held for development, and work in progress is valued at the lower of cost and net realisable value. Cost includes an appropriate proportion of overheads.

Long term contract balances are stated at net cost less foreseeable losses less any applicable payments on account. Foreseeable losses in excess of net cost are disclosed separately as provisions for liabilities and charges.

Taxation
Taxation for the year relates to current tax which is recognised in the Income Statement. Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits
The company operates a defined contributions workplace pension scheme for the benefit of its qualifying employees.The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable in any one year are accounted for as they fall due.

Investments
Investments are accounted for at fair value. Changes in value are accounted for through the profit and loss account.

Financial instruments
The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like amounts recoverable on contracts, other debtors, trade and other creditors, loans from banks and other third parties and loans to related parties.

Debt instruments, other than those wholly repayable or receivable within one year, including loans and other amounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Debt instruments which are payable or receivable within one year are measured at the undiscounted amount of the cash consideration expected to be paid or received.

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

2. ACCOUNTING POLICIES - continued

Borrowing costs
Borrowing costs are recognised in the Statement of Comprehensive income as they are incurred.

Borrowing costs directly relating to the acquisition and development of own sites are capitalised. Capitalisation commences from the date of initial expenditure until the properties are ready for sale. The capitalisation of borrowing costs is suspended where there are prolonged periods when development activity on a site is interrupted.

Operating Leases
Rentals payable under operating leases are charged to the profit and loss account as incurred.

Provisions
Provisions are recognised when the company has a present legal or constructive obligation as result of a past event and it is probable that the company would be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31/3/18	31/3/17
	£	£
Property sales	9,135,714	1,075,000
Contracts	31,081,230	35,794,069
	40,216,944	36,869,069

The company's turnover is derived wholly from within the United Kingdom.

4. OTHER OPERATING INCOME

	31/3/18	31/3/17
	£	£
Rents received	5,500	6,000
Other income	81,555	88,961
	87,055	94,961

continued...

Notes to the Financial Statements - continued for the Year Ended 31 March 2018

5. EMPLOYEES AND DIRECTORS

	31/3/18	31/3/17
	£	£
Wages and salaries	2,157,160	2,167,992
Social security costs	258,324	265,021
Other pension costs	2,400	2,250
	2,417,884	2,435,263

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

	31/3/18	31/3/17
Executive and Administration	9	10
Land Acquisition and Construction	25	25
	34	35

6. DIRECTORS' EMOLUMENTS

	31/3/18	31/3/17
	£	£
Directors' remuneration	143,814	109,836

7. OPERATING PROFIT

The operating profit is stated after charging:

	31/3/18	31/3/17
	£	£
Depreciation - owned assets	85,872	88,363
Loss on disposal of fixed assets	1,602	4,449
Auditors' remuneration	16,000	20,000
Audit-related assurance services	5,813	5,620
Taxation compliance services	6,769	5,198
Taxation advisory services	1,765	1,260
Other non- audit services	7,285	12,247
Operating lease charges	533,500	377,811

continued...

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/3/18	31/3/17
	£	£
Bank loan interest	133,789	26,108
Corporation Tax interest	77	10,440
Exchange rate variances	1,456	77,210
Other loan interest	416,465	472,804
Project fee	-	20,065
Loan arrangement/exit fees	10,325	20,065
Penalties	100	-
	562,212	626,692

9. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	31/3/18	31/3/17
	£	£
Current tax:		
UK corporation tax	791,135	461,036
Tax on profit	791,135	461,036

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31/3/18	31/3/17
	£	£
Profit before tax	4,301,758	2,523,731
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	817,334	504,746
Effects of:		
Expenses not deductible for tax purposes	26,293	27,410
Capital Allowances	(18,614)	(47,481)
Group relief	(33,878)	(23,639)
Total tax charge	791,135	461,036

continued...

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

10. TANGIBLE FIXED ASSETS

	Plant & machinery	Furniture, Fixtures & Fittings	Motor vehicles	Equipment	Totals
	£	£	£	£	£
COST					
At 1 April 2017	7,948	176,761	110,675	216,778	512,162
Additions	-	-	33,000	45,403	78,403
Disposals	-	-	(9,000)	-	(9,000)
At 31 March 2018	7,948	176,761	134,675	262,181	581,565
DEPRECIATION					
At 1 April 2017	6,887	46,203	75,474	118,512	247,076
Charge for year	265	32,640	17,050	35,917	85,872
Eliminated on disposal	-	-	(7,398)	-	(7,398)
At 31 March 2018	7,152	78,843	85,126	154,429	325,550
NET BOOK VALUE					
At 31 March 2018	796	97,918	49,549	107,752	256,015
At 31 March 2017	1,061	130,558	35,201	98,266	265,086

11. FIXED ASSET INVESTMENTS

	Unlisted investments
	£
COST OR VALUATION	
Additions	999,923
Revaluations	(31,528)
At 31 March 2018	968,395
NET BOOK VALUE	
At 31 March 2018	968,395

Cost or valuation at 31 March 2018 is represented by:

	Unlisted investments
	£
Valuation in 2018	(31,528)
Cost	999,923
	968,395

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

12. STOCKS

	31/3/18	31/3/17
	£	£
Stock & work-in-progress	4,674,271	4,100,630

13. DEBTORS

	31/3/18	31/3/17
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	497,720	230
Amounts recoverable on contract	9,613,042	7,126,396
Other debtors	3,686,297	5,409,591
VAT	379,771	279,241
Deferred costs	2,251,487	2,278,115
Accrued Income	1,169,896	533,583
Prepayments	201,618	208,171
	17,799,831	15,835,327
Amounts falling due after more than one year:		
Amounts owed by group undertakings	14,301,501	16,752,756
Other debtors	10,340,485	6,903,001
	24,641,986	23,655,757
Aggregate amounts	42,441,817	39,491,084

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/18	31/3/17
	£	£
Bank loans and overdrafts (see note 15)	2,096,465	2,046,173
Trade creditors	3,820,693	3,516,739
Amounts owed to group undertakings	19,355,518	18,198,814
Other creditors	1,750,759	1,750,759
Other taxes & PAYE	89,272	94,819
Accruals	120,631	114,942
Directors' current accounts	-	9,795
Deferred income	1,500	1,500
	27,234,838	25,733,541

continued...

Notes to the Financial Statements - continued for the Year Ended 31 March 2018

15. LOANS

An analysis of the maturity of loans is given below:

	31/3/18	31/3/17
	£	£
Amounts falling due within one year or on demand:		
Bank loans	2,096,465	2,046,173

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31/3/18	31/3/17
	£	£
Within one year	533,500	533,500
Between one and five years	2,134,000	2,134,000
In more than five years	1,759,088	2,292,588
	4,426,588	4,960,088

17. SECURED DEBTS

The following secured debts are included within creditors:

	31/3/18	31/3/17
	£	£
Bank loans	2,096,465	2,046,173

Bank borrowings are secured by fixed charges over the company's development projects and by floating charges over all of its other assets.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/3/18	31/3/17
			£	£
1,000	Ordinary	£1	1,000	1,000

Attached to the shares are a right to vote in general meetings, a right to receive dividends if declared by the company and a right to participate in distributions of capital, including on winding up.

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

continued...

19. RESERVES

	Retained earnings £
At 1 April 2017	25,105,557
Profit for the year	3,510,623
At 31 March 2018	28,616,180

20. ULTIMATE PARENT COMPANY

Hollybrook (UK) Limited is regarded by the directors as being the company's ultimate parent company.

21. RELATED PARTY DISCLOSURES

Debtors falling due after more than one year includes balances amounting to £8,572,987 in total relating to monies advanced to incorporated businesses, variously owned and controlled directly by the directors, to fund their operating activities.