

Company Registration No. 07619223 (England and Wales)

**BEAUMONT MORGAN DEVELOPMENTS
LIMITED**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
27 MARCH 2018**

**COMPANIES HOUSE
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27 FEB 2020

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BEAUMONT MORGAN DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	G Morgan D K McLellan K S Moore
Company number	07619223
Registered office	Suite 4B Paragon House Seymour Grove Stretford Manchester M16 0LN
Auditor	RSM UK Audit LLP Chartered Accountants First Floor Two Humber Quays Wellington Street West Hull HU1 2BN

BEAUMONT MORGAN DEVELOPMENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 27 MARCH 2018

The directors present the strategic report for the year ended 27 March 2018.

Fair review of the business

Operational

Following a period of rapid growth, the company has consolidated at its current trading levels and is now suitably positioned to deliver sustainable and controlled growth in the coming years.

During the financial year the company completed an overhaul of its senior management team. Post year end it also closed a satellite office and relocated its head office to Manchester. The company now benefits from a centralised and focused team with required experience and technical ability to take the business forward.

High density residential development predominantly in Salford, Manchester, remains the core focus and area of expertise of the business and is foreseen to be so for the next 4-5 years. The company has continued to slowly de-risk and diversify its revenue streams through its balance of external and internal clients and carrying scale of the job it is currently operational on.

Financial

The company's turnover has increased significantly again from £38.7m to £40.6m, representing growth of 4.9%.

Gross margin at 5.2% (2017:4.9%) represents a small increase year on year. Delays in closing out legacy adversely effected the gross margin in the period, with all new jobs performing closer to the targeted 8%.

Secured order book remains strong with circa £200m of work in the pipeline, taking the business into 2023.

The overall operating loss of £111,351 is disappointing but mostly attributable to higher than forecasted overheads in the year. However, given the changes operationally, the business going forward is leaner and anticipated to operate from a considerably lower cost base in the future.

Principal risks and uncertainties

The company operates in a challenging economic climate but differs from most principal contractors in that it works almost exclusively with the Fortis Group, a connected group of companies. As a result, it is not overly exposed to market price constraints or bad debt risk from external clients and is insulated from adverse changes in macro-economical conditions.

Brexit

The company is actively monitoring the process of the UK's severance from the EU, liaising regularly with key internal and external stakeholders. The impact of Brexit on the construction industry still proves to be highly uncertain, the company is continuing to develop its management strategy to deal with any evolving risks.

Liquidity

The company manages and forecasts its cashflow daily in order to ensure there is always sufficient funding operationally and to make sure surplus cash is utilised with maximum effect.

Supply chain

We thoroughly vet all subcontractors and suppliers to mitigate the risk of supply chain failure such as companies falling into administration. The typical consequences of such failures are programme and overruns and incurring additional cost.

Health and Safety

The health and safety risks within the construction industry are vast in number and with potentially considerable severity. We have dedicated health and safety resource who proactively manage and monitor our operations. We execute an internal health and safety framework designed to requirements of standard ISO 45001.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

STRATEGIC REPORT (CONTINUED)

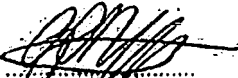
FOR THE YEAR ENDED 27 MARCH 2018

Key performance indicators

The company's key financial performance indicators are turnover, gross margin, net profitability before taxation, forward secured order book and operating cash flow. The safety of our employees is paramount and all construction sites are constantly assessed for Health and Safety performance. The company's directors therefore believe that further key performance indicators are not necessary or appropriate for an understanding of the performance and development of the business as sufficient details are noted below and contained within these financial statements.

In conclusion, the Directors are satisfied with the results for the period ended 27 March 2018, and are confident that the business can grow from strength to strength.

On behalf of the board



G Morgan
Director

Date: 25 February 2020

BEAUMONT MORGAN DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 27 MARCH 2018

The directors present their annual report and financial statements for the year ended 27 March 2018.

Principal activities

The principal activity of the company continued to be that of construction and property development.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G Morgan
D K McLellan
K S Moore

Results and dividends

The results for the year are set out on page 9.

The directors have chosen to take advantage of the seven day rule and have prepared accounts to 31 March.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going Concern

During the year, the company has improved systems and procedures, leading to the directors refocusing the business and setting it on a path to long term growth. The company has produced cash flow forecasts and projected profit and loss accounts for the period to June 2021.

On the basis of these projections the directors have assessed the financial position of the company and are comfortable that the company will be able to continue in operational existence for a period of at least 12 months from the date of this report. The directors believe that the company is well placed to manage its business risks successfully, thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Matters of strategic importance


The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of key performance indicators, financial instruments and future performance.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2018

On behalf of the board



G Morgan
Director

Date: 25 February 2020

BEAUMONT MORGAN DEVELOPMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 27 MARCH 2018

The directors are responsible for preparing the Strategic Report and 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 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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAUMONT MORGAN DEVELOPMENTS LIMITED

Opinion on financial statements

We have audited the financial statements of Beaumont Morgan Developments Limited (the 'company') for the year ended 27 March 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph in the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

As more fully explained in note 12 to the financial statements, the directors of the company recognised income of £3.8m in the 2016 financial statements. In our opinion, this income did not meet the criteria of revenue recognition under FRS102 and the other debtors was overstated to the same extent. In the current period the audit evidence available to us to assess the current position of the claims referred to in note 12 was limited. Consequently we were unable to determine whether any further adjustments or disclosures were necessary.

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 auditor's 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 qualified 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAUMONT MORGAN DEVELOPMENTS LIMITED (CONTINUED)

Opinions 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 and the directors' report.

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 directors' responsibilities statement set out on page 5, 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.

Auditor's 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 auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAUMONT MORGAN DEVELOPMENTS LIMITED (CONTINUED)

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

RSM UK Audit LLP

Richard Lewis (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

First Floor

Two Humber Quays

Wellington Street West

Hull

HU1 2BN

27/2/2020

BEAUMONT MORGAN DEVELOPMENTS LIMITED


STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 27 MARCH 2018

	Notes	2018 £	2017 £
Turnover	3	40,641,878	38,707,732
Cost of sales		(38,526,485)	(36,796,330)
Gross profit		2,115,393	1,911,402
Administrative expenses		(2,226,744)	(1,703,431)
Other operating income		-	1,500
Operating (loss)/profit	6	(111,351)	209,471
Interest receivable and similar income	7	4,300	2
Interest payable and similar expenses	8	(12,681)	(3,736)
(Loss)/profit before taxation		(119,732)	205,737
Tax on (loss)/profit	9	20,886	(35,534)
(Loss)/profit for the financial year		(98,846)	170,203

BEAUMONT MORGAN DEVELOPMENTS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 27 MARCH 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	11		173,152		184,427
Current assets					
Debtors falling due after more than one year	12	3,832,882		3,832,882	
Debtors falling due within one year	12	12,846,210		12,978,707	
Cash at bank and in hand		1,408,168		212,281	
		<u>18,087,260</u>		<u>17,023,870</u>	
Creditors: amounts falling due within one year	13	(17,569,367)		(16,402,199)	
Net current assets			<u>517,893</u>		<u>621,671</u>
Total assets less current liabilities			<u>691,045</u>		<u>806,098</u>
Creditors: amounts falling due after more than one year	14		(64,672)		(59,993)
Provisions for liabilities	17		(145,196)		(166,082)
Net assets			<u><u>481,177</u></u>		<u><u>580,023</u></u>
Capital and reserves					
Called up share capital	20		400		400
Capital redemption reserve	21		400		400
Profit and loss reserves	21		480,377		579,223
Total equity			<u><u>481,177</u></u>		<u><u>580,023</u></u>

The financial statements were approved by the board of directors and authorised for issue on 25 February 2020 and are signed on its behalf by:



 G. Morgan
 Director

BEAUMONT MORGAN DEVELOPMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 27 MARCH 2018

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 30 March 2016	400	400	409,020	409,820
Year ended 29 March 2017:				
Profit and total comprehensive income for the year	-	-	170,203	170,203
Balance at 29 March 2017	400	400	579,223	580,023
Year ended 27 March 2018:				
Loss and total comprehensive income for the year	-	-	(98,846)	(98,846)
Balance at 27 March 2018	400	400	480,377	481,177

BEAUMONT MORGAN DEVELOPMENTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 27 MARCH 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	26		1,263,796		(182,937)
Interest paid			(12,681)		(3,736)
Income taxes refunded/(paid)			15,000		(85,022)
Net cash inflow/(outflow) from operating activities			1,266,115		(271,695)
Investing activities					
Purchase of tangible fixed assets		(13,757)		(39,750)	
Other investments and loans made		(46,774)		(10,000)	
Interest received		4,300		2	
Net cash used in investing activities			(56,231)		(49,748)
Financing activities					
Payment of finance leases obligations		(13,997)		(16,982)	
Net cash used in financing activities			(13,997)		(16,982)
Net increase/(decrease) in cash and cash equivalents			1,195,887		(338,425)
Cash and cash equivalents at beginning of year			212,281		550,706
Cash and cash equivalents at end of year			1,408,168		212,281

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 27 MARCH 2018

1 Accounting policies

Company information

Beaumont Morgan Developments Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Suite 4B, Paragon House, Seymour Grove, Stretford, Manchester, M16 0LN.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The directors have chosen to take advantage of the seven day rule and have prepared accounts to 31 March.

Change in accounting estimate

The company has changed the method in which long term contracts are accounted. Previously, the percentage complete was based on the proportion of costs incurred for work performed to date in conjunction with the estimated total costs. This year, the percentage of completion is based on sales value of work performed up to the year end as a proportion of the total contract value. Valuation of work performed is carried out by quantity surveyors employed by the company. This has increased the gross profit for the year by £174,677, with corresponding amounts to amounts received on contracts and payments on account.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 1 and Directors' Report on page 3.

The directors continue to focus their attentions on timings of works, debt recoverability, creditor days and funding streams as necessary.

During the year, the company has improved systems and procedures, leading to the directors refocusing the business and setting it on a path to long term growth. The company has produced cash flow forecasts and projected profit and loss accounts for the period to June 2021.

On the basis of these projections the directors have assessed the financial position of the company and are comfortable that the company will be able to continue in operational existence for a period up to 30 June 2021. The directors believe that the company is well placed to manage its business risks successfully, thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2018

1 Accounting policies (Continued)

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Turnover arising on short term maintenance is recognised on completion of works.

Long term contracts are assessed on a contract by contract basis and reflected by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The stage of completion is ascertained and certified by quantity surveyors employed by the company.

The amount by which turnover exceeds payments on accounts is classified as "gross amounts owed by contract customers" and included in debtors; to the extent that payments received on account exceed relevant turnover and long term contract balances, the excess is included as a creditor. The amount of long term contracts, at cost net of amounts transferred to cost of sales, less provision for foreseeable losses and payments on account not matched with turnover, is included within stocks.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over life of lease
Plant and machinery	15% reducing balance
Motor vehicles	25% reducing balance

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 or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2018

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors, gross amounts owed by contract customers, amounts due from connected companies and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade, other creditors, payments on accounts and amounts due to connected companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2018

1 Accounting policies (Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

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

Own shares

The fair value of consideration given for shares repurchased by the Company is deducted from equity and is shown in the Capital Redemption Reserve

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2018

1 Accounting policies (Continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Contract recognition

The company's turnover recognition policies are central to the way the company values the work it has carried out in each financial year. The policies require forecasts to be made of the outcomes of long term construction and service contracts, which require assessments and judgements to be made by quantity surveyors to assess changes in work scopes and contracts.

There are estimates made by key management personnel to determine the amount of costs to complete each project. These estimated costs are based on quantity surveyor reports and detailed ongoing projected costs.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2018

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Retentions

Retentions on work done are carried on the balance sheet as creditors. There is an uncertainty on the amounts carried and payable.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Property development	40,641,878	38,707,732
	<u> </u>	<u> </u>
	2018 £	2017 £
Other revenue		
Interest income	4,300	2
Grants received	-	1,500
	<u> </u>	<u> </u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Production	40	35
Administration	22	24
	<u> </u>	<u> </u>
	62	59
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	2,515,653	2,583,396
Social security costs	276,731	280,952
Pension costs	60,452	3,598
	<u> </u>	<u> </u>
	2,852,836	2,867,946
	<u> </u>	<u> </u>

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 MARCH 2018

5	Directors' remuneration	2018	2017
		£	£
	Remuneration for qualifying services	5,997	5,198
		<u> </u>	<u> </u>
6	Operating (loss)/profit	2018	2017
		£	£
	Operating (loss)/profit for the year is stated after charging/(crediting):		
	Government grants	-	(1,500)
	Fees payable to the company's auditor for the audit of the company's financial statements	23,500	19,055
	Depreciation of owned tangible fixed assets	38,898	19,339
	Depreciation of tangible fixed assets held under finance leases	2,305	2,856
	Impairment of owned tangible fixed assets	8,109	-
	Loss on disposal of tangible fixed assets	18,113	8,856
	Operating lease charges	83,909	77,866
		<u> </u>	<u> </u>
7	Interest receivable and similar income	2018	2017
		£	£
	Interest income		
	Interest on bank deposits	-	2
	Other interest income	4,300	-
		<u> </u>	<u> </u>
	Total income	4,300	2
		<u> </u>	<u> </u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	-	2
		<u> </u>	<u> </u>
8	Interest payable and similar expenses	2018	2017
		£	£
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	5,549	787
	Other interest	7,132	2,949
		<u> </u>	<u> </u>
		12,681	3,736
		<u> </u>	<u> </u>

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 MARCH 2018

9 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	-	1
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(20,886)	35,533
	<u> </u>	<u> </u>
Total tax (credit)/charge	<u>(20,886)</u>	<u>35,534</u>

The total tax (credit)/charge for the year included in the income statement can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
(Loss)/profit before taxation	(119,732)	205,737
	<u> </u>	<u> </u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	(22,749)	41,147
Tax effect of expenses that are not deductible in determining taxable profit	151	7,220
Adjustments in respect of prior years	(1,840)	-
Effect of change in corporation tax rate	1,431	(12,833)
Depreciation on assets not qualifying for tax allowances	2,121	-
	<u> </u>	<u> </u>
Taxation (credit)/charge for the year	<u>(20,886)</u>	<u>35,534</u>

10 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss. The following impairments are in respect to leasehold improvements following vacating the premises.

	Notes	2018 £	2017 £
In respect of:			
Property, plant and equipment	11	8,109	-
		<u> </u>	<u> </u>
Recognised in:			
Administrative expenses		8,109	-
		<u> </u>	<u> </u>

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2018

11 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 30 March 2017	20,608	128,597	92,505	241,710
Additions	-	101,533	11,501	113,034
Disposals	-	(19,013)	(82,505)	(101,518)
At 27 March 2018	20,608	211,117	21,501	253,226
Depreciation and impairment				
At 30 March 2017	3,652	43,687	9,944	57,283
Depreciation charged in the year	8,847	14,316	18,040	41,203
Impairment losses	8,109	-	-	8,109
Eliminated in respect of disposals	-	(7,072)	(19,449)	(26,521)
At 27 March 2018	20,608	50,931	8,535	80,074
Carrying amount				
At 27 March 2018	-	160,186	12,966	173,152
At 29 March 2017	16,956	84,910	82,561	184,427

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2018 £	2017 £
Plant and machinery	86,190	-
Motor vehicles	10,782	79,649
	<u>96,972</u>	<u>79,649</u>

More information on impairment movements in the year is given in note 10.

12 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	10,090,027	10,665,388
Gross amounts owed by contract customers	308,950	52,842
Corporation tax recoverable	265,492	265,492
Other debtors	2,136,467	1,947,289
Prepayments and accrued income	45,274	47,896
	<u>12,846,210</u>	<u>12,978,707</u>

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2018

12 Debtors (Continued)

	2018 £	2017 £
Amounts falling due after more than one year:		
Other debtors	3,832,882	3,832,882
Total debtors	16,679,092	18,811,589

Other debtors due after more than one year

Beaumont Morgan Developments Limited have encountered a couple of problematic contracts. They have been able to conclude those contracts, realise the effects and position themselves to better manage risk in future.

Beaumont Morgan Developments Limited are in the process of pursuing a number of disputes and claims relating to historical problematic contracts, they expect these claims to be concluded during 2020.

Under accounting practices, this income should not have been recognised in our 2016 financial statements. However, the directors took the decision to include the amount in the period end income for 2016 and is remaining in other debtors at 27 March 2018.

13 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Obligations under finance leases	15	29,247	5,530
Payments received on account		5,470,557	5,496,958
Trade creditors		10,046,840	8,745,924
Corporation tax		34,429	19,429
Other taxation and social security		86,631	225,154
Other creditors		1,776,189	1,744,732
Accruals and deferred income		125,474	164,472
		17,569,367	16,402,199

Net obligations under finance leases are secured by fixed charges on the assets to which the agreements relate.

14 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under finance leases	15	64,672	59,993

Net obligations under finance leases are secured by fixed charges on the assets to which the agreements relate.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2018

15 Finance lease obligations

	2018	2017
	£	£
Future minimum lease payments due under finance leases:		
Less than one year	33,152	10,197
Between one and five years	68,481	65,707
	<u>101,633</u>	<u>75,904</u>
Less: future finance charges	(7,714)	(10,381)
	<u>93,919</u>	<u>65,523</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

16 Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>15,780,013</u>	<u>16,425,909</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>11,948,503</u>	<u>10,655,128</u>

17 Provisions for liabilities

	Notes	2018	2017
		£	£
Deferred tax liabilities	18	<u>145,196</u>	<u>166,082</u>

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018	Liabilities 2017
	£	£
Balances:		
Accelerated capital allowances	8,973	12,890
Tax losses	(514,499)	(498,324)
Short term timing differences	650,722	651,516
	<u>145,196</u>	<u>166,082</u>

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2018

18 Deferred taxation (Continued)

	2018 £
Movements in the year:	
Liability at 30 March 2017	166,082
Credit to profit or loss	(20,886)
Liability at 27 March 2018	<u>145,196</u>

19 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>60,452</u>	<u>3,598</u>

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

Pension contributions outstanding and included in creditors at 27 March 2018 are £10,270 (2017 - £438).

20 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
320 Ordinary C shares of £1 each	320	320
80 Ordinary D shares of £1 each	80	80
	<u>400</u>	<u>400</u>

The company has two classes of ordinary share which rank pari passu in all respects. Each class of share carries no right to fixed income and each carry the right to one vote at general meetings of the company.

21 Reserves

Capital redemption reserve

The capital redemption reserve has arisen following the purchase of own shares in the period to 31 March 2015.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 MARCH 2018

22 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	36,398	44,411
Between one and five years	19,750	56,947
	<u>56,148</u>	<u>101,358</u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>455,534</u>	<u>441,230</u>

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchases 2018 £	2017 £
Other related parties	<u>127,179</u>	<u>150,991</u>

Invoiced on account of services

	2018 £	2017 £
Other related parties	<u>39,598,446</u>	<u>33,798,108</u>

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2018

23 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2018	2017
	£	£
Amounts due to related parties		
Other related parties	98,855	363,756

The above are in relation to loans and trade balances at arm's length.

The amounts are unsecured and, with the exception of loans with key management personnel, carry no interest.

The following amounts were outstanding at the reporting end date:

	2018	2017
	£	£
Amounts due from related parties		
Key management personnel	121,482	74,708
Other related parties	11,748,649	12,256,929

The above are in relation to loans and trade balances at arm's length.

The amounts are unsecured and, with the exception of loans with key management personnel, carry no interest.

24 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Advances	2.50	74,708	79,974	4,300	(37,500)	121,482
		74,708	79,974	4,300	(37,500)	121,482

The above amounts carry 2.5 per cent interest and have no fixed repayment terms. No amounts have been written off or waived.

25 Ultimate controlling party

The company is controlled by Direct Property Investments Ltd, DMC Estates Limited and M Estates Limited, all companies registered in England and Wales. No one company has complete control and it would require two or more companies acting in concert to exercise control. Therefore there is no one party who is the ultimate controlling party.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2018

26 Cash generated from operations

	2018 £	2017 £
(Loss)/profit for the year after tax	(98,846)	170,203
Adjustments for:		
Taxation (credited)/charged	(20,886)	35,534
Finance costs	12,681	3,736
Investment income	(4,300)	(2)
Loss on disposal of tangible fixed assets	18,113	8,856
Depreciation and impairment of tangible fixed assets	49,312	22,195
Movements in working capital:		
Decrease/(increase) in debtors	179,271	(1,276,755)
Increase in creditors	1,128,451	853,296
Cash generated from/(absorbed by) operations	1,263,796	(182,937)