

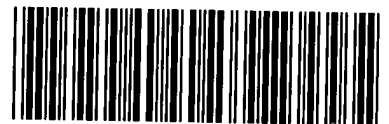
Company Registration No. 07721503 (England and Wales)

**VASCROFT HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**KLSA**  
Chartered Accountants

**PKF**  
Member firm of PKF International Ltd

THURSDAY



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COMPANIES HOUSE

# VASCROFT HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr S K Vekaria Mr M S Vekaria
<b>Secretary</b>	Mrs C Vora
<b>Company number</b>	07721503
<b>Registered office</b>	Vascroft Estate 861 Coronation Road Park Royal London NW10 7PT
<b>Auditor</b>	KLSA LLP Kalamu House 11 Coldbath Square London EC1R 5HL
<b>Bankers</b>	Lloyds TSB Private Banking Limited 50 Grosvenor Street London W1K 3LF  Bank of India 714-716 Kenton Road Harrow Middlesex HA3 9QX  HSBC Bank Plc 2nd Floor, Space one 1 Beadon Road Hammersmith W6 0EA
<b>Solicitors</b>	Clarkslegal LLP 5th Floor Thames Tower Station Road Reading RG1 1LX

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# **VASCROFT HOLDINGS LIMITED**

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# **VASCROFT HOLDINGS LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The directors present the strategic report for the year ended 31 August 2019.

### **Business Review**

Turnover for the year ended 31 August 2019 amounted to £87m compared to £45m for the previous year and the operating profit for the year was £5.2m compared to £1.3m in the previous year.

As the group celebrates its 43rd year of excellence in construction, the group continues to secure more projects by obtaining new clients and by retaining the business of its key clients. This all has been possible because the group's ethos and driving force of all its stakeholders is to provide excellence. The group's vision, mission and values statements continues to reflect the ever dynamic outlook of the construction industry and are filtered throughout the organisation. The group has always empathised with the need for adhering to its corporate social responsibilities in the heart of all operations. Vascroft is firmly committed to its social, economic and environmental sustainability. We know that if we are to be a true market leader, we need to minimise the impact of our activities on the environment and its surroundings inclusive of the communities that serve these areas. To this end, the group continues to maintain its ISO 9001 and ISO 14001 accreditations.

### **Financial risk management objectives and policies**

The group uses various financial instruments including loans, cash and various items which arise directly from its operations such as trade debtors, trade creditors and bank loans. The main purpose of these are to raise working capital and carry out business operations.

The main risks arising from these financial instruments are market risk, liquidity risk, cash flow risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below.

#### **Market risk**

Market risk encompasses two types of risk being interest rate risk and price risk.

#### **Interest rate**

The group finances its operations through a mixture of retained profits and bank borrowings. The borrowings bear interest at a floating rate and the interest expense is therefore affected by movements in interest rates.

#### **Price risk**

Price risk mainly arises from the time delay between the start of a tendering process for any materials to when they are actually purchased. This risk is mitigated by factoring inflation rate into tender prices for any project. Any increase in the price of materials is notified to the group by our specialist buyer and suppliers in advance.

#### **Liquidity risk**

The group seeks to manage financial risk by ensuring sufficient liquidity is available through an overdraft facility to meet foreseeable needs at any given point. The directors review weekly cash reports which enable them to plan accordingly for any significant expenditure.

#### **Credit risk**

The principal financial assets are debtors and the principal credit risk arises from these debtors. In order to manage credit risk the directors have introduced a credit checking facility by subscribing to an independent agency. This provides all financial details and trading history needed to consider the risk associated with new clients and especially with fast track projects e.g. restaurants. On larger projects invoices are raised on a monthly basis and collection made accordingly. The group also seeks deposits upfront for some projects.

# **VASCROFT HOLDINGS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Key performance indicators**

The group's key performance indicators are revenue, gross margin and net assets. These allow the directors and the management to monitor the growth as well as the profitability of the group. Turnover for the year generated from the principal business activities amounted to £87m (2018: £45m) whilst our headline gross margin of £10.9m (2018: £5m) improved in line with our expectations at circa 12%. The net assets position as at the year-end was £23.1m (2018: £17.8m). Our focus remains of not chasing higher turnover levels with compromised margins and as such the performance is in line with the expectations as set by the board. The directors consider these performance indicators to be satisfactory. The group maintains a satisfactory order book that entails all current secured jobs which is used as an indicator of future business activity levels.

The key non-financial performance indicators of the company are timely and quality delivery of the provision of construction services as per agreements with customers, and stakeholder relationships.

The directors are of the belief that the monitoring of the above-mentioned indicators is an effective aspect of business performance review.

### **Outlook and future developments**

The group's strategic focus is to enhance its market position, to invest in and to continue developing its core strengths across the residential, community, and hotel sectors. It has seen challenging conditions predominate across the industry, with competitive pressures impacting on margins and profitability. The group's track record and integrated offer of design, construction, boutique and be-spoke solutions has enabled it to win significant projects.

Our people remain at the heart of our business. They have shown great resilience and dedication during the construction industry's prolonged period of adverse conditions. As we begin to emerge into a period of growth, our employees will be critical to ensuring our success.

### **Vision, mission and values**

Our vision is exciting and ambitious. We aim to target profitable growth, build business within our key markets and with our existing clients, whilst also exploring further opportunities to broaden our client base and pursue new markets. We will also build on our considerable success and expertise to provide a truly integrated service for our clients.

**Mission** - To be the contractor of choice for all our clients and to continue to build positive relationships to deliver excellence.

**Values** - The guiding principles behind the growth of Vascroft Contractors Ltd have been to provide quality, value, experience, partnership, service excellence and consistency. Living and working by these principles, is at the heart of our success. Our team of dedicated professionals are enhanced with continuous professional developments through various mediums of training. Coupled with our commitment to putting our clients' needs first, we derive great pleasure in exceeding their expectations.

We strive to offer an unbeatable range of advisory, construction and refurbishment services and thrill at taking on challenges that have defeated others. Providing a truly integrated one stop shop solution for clients, our approach to all of these challenges has remained consistent over the decades.

A team of approximately 110 professionals is also integral to our success. Our staff are undoubtedly our greatest assets. They are committed to putting our customers' needs first and all share a passion for the group. Many of them have been with us for years and they know it's more important to do what's right rather than what's easy. We know it's important to employ the best because, that way, we deliver the best. We provide continuous staff development through training, seminars and exhibitions. This ensures our staff are up to date with current legislation, technological changes and modern methods of construction.

# **VASCROFT HOLDINGS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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



Mr M S Vekaria

**Director**

29 November 2019

# **VASCROFT HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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The directors present their annual report and financial statements for the year ended 31 August 2019.

### **Principal activities**

The principal activity of the company is that of a holding company.

The principle activity of the group during the period was that of carrying out construction activities. It continues to specialise in the construction and refurbishment of high end residential projects, elegant hotels, prestigious restaurants, commercial developments, schools, religious buildings and medical centres.

The group is also involved in the rental of investment properties.

The group has achieved a high profile reputation since inception and aims to maintain this into the next financial year by continuing to provide its excellence in service during these challenging times which face the sector in general. The group stands by its mission as set out in strategic report.

### **Directors**

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

Mr S K Vekaria  
Mr M S Vekaria

### **Results and dividends**

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

No ordinary dividends were paid. The directors do not recommend payment of a further 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**

Grant Thornton UK LLP resigned as auditor in accordance with Section 516 of the Companies Act 2006.

KLSA LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# VASCROFT HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and company, 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 and then apply them consistently;
- make judgements 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 and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### 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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mr M S Vekaria

**Director**

29 November 2019



# VASCROFT HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF VASCROFT HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of Vascroft Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group Statement Of Financial Position, the Company Statement Of Financial Position, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows, the Company 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 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 August 2019 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 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 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 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 group's or the parent 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.

# VASCROFT HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF VASCROFT HOLDINGS LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the 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 group and the parent 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 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, 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 group's and the parent 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 group or the parent 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.

# VASCROFT HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VASCROFT HOLDINGS LIMITED

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### 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.

*KLSA LLP*

Shilpa Chheda (Senior Statutory Auditor)  
for and on behalf of KLSA LLP

29 November 2019

Chartered Accountants  
Statutory Auditor

Kalamu House  
11 Coldbath Square  
London  
EC1R 5HL

# VASCROFT HOLDINGS LIMITED

## GROUP INCOME STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	2019 £	2018 £
<b>Revenue</b>	<b>3</b>	87,262,865	45,651,434
Cost of sales		(76,306,818)	(40,551,444)
<b>Gross profit</b>		10,956,047	5,099,990
Administrative expenses		(5,684,521)	(3,759,009)
<b>Operating profit</b>	<b>4</b>	5,271,526	1,340,981
Investment income	<b>8</b>	91,263	24,920
Finance costs	<b>9</b>	(7,892)	(19,526)
<b>Profit before taxation</b>		5,354,897	1,346,375
Tax on profit	<b>10</b>	(127,397)	226,496
<b>Profit for the financial year</b>		5,227,500	1,572,871

Profit for the financial year is all attributable to the owners of the parent company

# VASCROFT HOLDINGS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2019

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	2019 £	2018 £
Profit for the year	5,227,500	1,572,871
Other comprehensive income	-	-
Total comprehensive income for the year	<u>5,227,500</u>	<u>1,572,871</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# VASCROFT HOLDINGS LIMITED

## GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Goodwill	11	1,789,481		2,615,394	
Property, plant and equipment	12	7,048,077		7,018,691	
Investment properties	13	4,690,000		4,690,000	
		<u>13,527,558</u>		<u>14,324,085</u>	
<b>Current assets</b>					
Trade and other receivables falling due after more than one year	17	1,712,484		802,840	
Trade and other receivables falling due within one year	17	14,032,861		11,170,697	
Cash and cash equivalents		14,699,329		848,748	
		<u>30,444,674</u>		<u>12,822,285</u>	
<b>Current liabilities</b>	18	(16,029,705)		(7,740,842)	
<b>Net current assets</b>		<u>14,414,969</u>		<u>5,081,443</u>	
<b>Total assets less current liabilities</b>		<u>27,942,527</u>		<u>19,405,528</u>	
<b>Non-current liabilities</b>	19	(704,881)		(827,990)	
<b>Provisions for liabilities</b>					
Provisions	21	3,442,254		-	
Deferred tax liability	22	673,432		683,078	
		<u>(4,115,686)</u>		<u>(683,078)</u>	
<b>Net assets</b>		<u>23,121,960</u>		<u>17,894,460</u>	
<b>Equity</b>					
Called up share capital	24	10		10	
Revaluation reserve		3,736,369		3,736,369	
Merger relief reserve		5,799,991		5,799,991	
Retained earnings		13,585,590		8,358,090	
<b>Total equity</b>		<u>23,121,960</u>		<u>17,894,460</u>	

The financial statements were approved by the board of directors and authorised for issue on 29 November 2019 and are signed on its behalf by:

Mr S K Vekaria  
Director

Mr M S Vekaria  
Director

# VASCROFT HOLDINGS LIMITED

## COMPANY STATEMENT OF FINANCIAL POSITION

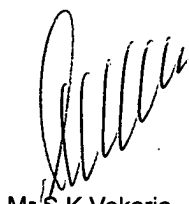
AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investment properties	13	6,590,000		6,590,000	
Investments	14	13,800,001		13,800,001	
		<u>20,390,001</u>		<u>20,390,001</u>	
<b>Current assets</b>					
Trade and other receivables	17	1		1	
Cash and cash equivalents		1,098		1,091	
		<u>1,099</u>		<u>1,092</u>	
<b>Current liabilities</b>	18	(5,810,461)		(6,166,495)	
<b>Net current liabilities</b>		<u>(5,809,362)</u>		<u>(6,165,403)</u>	
<b>Total assets less current liabilities</b>		<u>14,580,639</u>		<u>14,224,598</u>	
<b>Provisions for liabilities</b>					
Deferred tax liability	22	306,697		316,565	
		<u>(306,697)</u>		<u>(316,565)</u>	
<b>Net assets</b>		<u>14,273,942</u>		<u>13,908,033</u>	
<b>Equity</b>					
Called up share capital	24	10		10	
Merger relief reserve		5,799,991		5,799,991	
Retained earnings		8,473,941		8,108,032	
<b>Total equity</b>		<u>14,273,942</u>		<u>13,908,033</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £365,909 (2018 - £356,194 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 29 November 2019 and are signed on its behalf by:



Mr S K Vekaria  
Director



Mr M S Vekaria  
Director

Company Registration No. 07721503

# VASCROFT HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2019

	Share capital	Revaluation reserve	Merger relief reserve	Retained earnings	Total
	£	£	£	£	£
<b>Balance at 1 September 2017</b>	10	3,736,369	5,799,991	6,785,219	16,321,589
<b>Year ended 31 August 2018:</b>					
Profit and total comprehensive income for the year	-	-	-	1,572,871	1,572,871
<b>Balance at 31 August 2018</b>	10	3,736,369	5,799,991	8,358,090	17,894,460
<b>Year ended 31 August 2019:</b>					
Profit and total comprehensive income for the year	-	-	-	5,227,500	5,227,500
<b>Balance at 31 August 2019</b>	10	3,736,369	5,799,991	13,585,590	23,121,960



# VASCROFT HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2019

	Share capital	Merger relief reserve	Retained earnings	Total
	£	£	£	£
Balance at 1 September 2017	10	5,799,991	7,751,838	13,551,839
Year ended 31 August 2018:				
Profit and total comprehensive income for the year	-	-	356,194	356,194
Balance at 31 August 2018	10	5,799,991	8,108,032	13,908,033
Year ended 31 August 2019:				
Profit and total comprehensive income for the year	-	-	365,909	365,909
Balance at 31 August 2019	10	5,799,991	8,473,941	14,273,942

# VASCROFT HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	29	14,023,171		(60,785)	
Interest paid		(7,892)		(19,526)	
Income taxes refunded		527,860		283,317	
<b>Net cash inflow from operating activities</b>		<b>14,543,139</b>		<b>203,006</b>	
<b>Investing activities</b>					
Purchase of property, plant and equipment		(112,954)		(74,438)	
Proceeds on disposal of property, plant and equipment		6,600		5,501	
Interest received		91,263		24,920	
<b>Net cash used in investing activities</b>		<b>(15,091)</b>		<b>(44,017)</b>	
<b>Financing activities</b>					
Repayment of bank loans		(677,467)		(222,531)	
<b>Net cash used in financing activities</b>		<b>(677,467)</b>		<b>(222,531)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>13,850,581</b>		<b>(63,542)</b>	
Cash and cash equivalents at beginning of year		848,748		912,290	
<b>Cash and cash equivalents at end of year</b>		<b>14,699,329</b>		<b>848,748</b>	

# VASCROFT HOLDINGS LIMITED

## COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2019

Notes	2019		2018	
	£	£	£	£
<b>Cash flows from operating activities</b>				
Cash generated from operations		83,553		10,522
Income taxes paid		(83,552)		(14,794)
		<u>          </u>		<u>          </u>
<b>Net cash inflow/(outflow) from operating activities</b>		1		(4,272)
<b>Investing activities</b>				
Interest received	6		19	
	<u>          </u>		<u>          </u>	
<b>Net cash generated from investing activities</b>		6		19
<b>Net cash used in financing activities</b>		-		-
		<u>          </u>		<u>          </u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		7		(4,253)
Cash and cash equivalents at beginning of year		1,091		5,344
		<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>		<u>1,098</u>		<u>1,091</u>

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

#### Company information

Vascroft Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Vascroft Estate, 861 Coronation Road, Park Royal, London, NW10 7PT.

The group consists of Vascroft Holdings Limited and all of its subsidiaries.

#### 1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Investments in subsidiaries are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Vascroft Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 August 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 Going concern

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

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 1 Accounting policies

(Continued)

#### 1.4 Revenue

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

##### Rendering of services

In respect of long-term contracts, turnover represents the value of the work done in the year, including estimates of amounts not invoiced and is recognised by reference to the stage of completion of each contract, once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to the balance sheet date of each project.

Full provision is made for losses estimated by the directors on all contracts in the year in which the loss is first foreseen. Such estimates are based upon the directors' experience and relevant professional advice.

Turnover in respect of rental income from investment properties is recognised on straight line basis over the period of the lease.

#### 1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

#### 1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Freehold land and buildings	Held at fair value
Plant and equipment	10% on Reducing balance
Fixtures and fittings	15% on Reducing balance
Motor vehicles	25% on 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 recognised in the income statement.

Individual freehold and leasehold properties are carried at current market value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 1 Accounting policies

(Continued)

#### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

#### 1.8 Non-current investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issues together with the fair value of any additional consideration paid.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.9 Impairment of non-current assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

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

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 1 Accounting policies

(Continued)

#### 1.10 Cash and cash equivalents

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

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

#### 1.11 Financial instruments

The group 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 in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

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

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

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

##### **Derecognition of financial assets**

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

##### **Classification of financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 1 Accounting policies

(Continued)

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

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

#### 1.12 Equity instruments

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

#### 1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.



# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

#### 1.14 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

#### 1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to the future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

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

#### 1.16 Retirement benefits

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in the accruals as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

#### 1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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.

#### 1.18 Foreign exchange

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the end of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

#### 1.19 Finance cost

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

#### 1.20 Interest income

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

### 2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

#### *Debtor recoverability*

Where outstanding customer debt from 31 August 2019 has still to be wholly or partially recovered by the date of the approval of these financial statements, management have exercised judgment in providing for any bad or doubtful debt. Management has individually considered each outstanding remaining debt in terms of payment history, the status of the current commercial relationship and any future committed business in reaching their decision of the appropriate level of provision to make for each customer.

#### *Rendering of services and loss-making contracts*

In respect of long-term contracts, turnover represents the value of the work done in the year, including estimates of amounts not invoiced and is recognised by reference to the stage of completion of each contract, once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to the Statement of Financial Position date on each project.

Full provision is made for losses estimated by the directors on all contracts in the year in which the loss is first foreseen. Such estimates are based upon the directors' experience and relevant professional advice.

#### *Useful life of Property, Plant and Equipment*

Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 3 Revenue

An analysis of the group's revenue is as follows:

	2019 £	2018 £
<b>Revenue analysed by class of business</b>		
Property construction	87,068,651	45,189,634
Rental income	194,214	461,800
	<u>87,262,865</u>	<u>45,651,434</u>
	2019 £	2018 £
<b>Other significant revenue</b>		
Interest income	<u>91,263</u>	<u>24,920</u>

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(2,092)	14
Depreciation of owned property, plant and equipment	75,660	81,447
Loss on disposal of property, plant and equipment	1,308	45,147
Amortisation of intangible assets	<u>825,913</u>	<u>825,913</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £2,092 (2018 - £14).

### 5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	<u>15,000</u>	<u>18,750</u>
<b>For other services</b>		
All other non-audit services	<u>3,000</u>	<u>2,750</u>

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 6 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Production staff	65	71	-	-
Administrative staff	35	41	-	-
Managerial staff	2	2	-	-
	<u>102</u>	<u>114</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	5,190,373	4,682,643	-	-
Social security costs	191,306	122,687	-	-
Pension costs	365,128	240,545	-	-
	<u>5,746,807</u>	<u>5,045,875</u>	<u>-</u>	<u>-</u>

### 7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	823,683	402,692
Company pension contributions to defined contribution schemes	20,000	20,000
	<u>843,683</u>	<u>422,692</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	<u>666,500</u>	<u>216,667</u>

### 8 Investment income

	2019 £	2018 £
Interest income		
Interest on bank deposits	<u>91,263</u>	<u>24,920</u>

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 8 Investment income (Continued)

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	91,263	24,920
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### 9 Finance costs

	2019	2018
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	7,892	19,526

### 10 Taxation

	2019	2018
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	774,245	112,684
Adjustments in respect of prior periods	(637,202)	(330,941)
Total current tax	137,043	(218,257)
<b>Deferred tax</b>		
Origination and reversal of timing differences	(9,646)	(8,239)
Total tax charge/(credit) for the year	127,397	(226,496)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
Profit before taxation	5,354,897	1,346,375
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	1,017,430	255,811
Tax effect of expenses that are not deductible in determining taxable profit	157,477	181,270
Tax effect of utilisation of tax losses not previously recognised	(391,804)	(309,551)
Permanent capital allowances in excess of depreciation	(7,187)	(14,845)
Research and development tax credit	(637,202)	(330,941)
Under/(over) provided in prior years	(1,671)	-
Deferred tax	(9,646)	(8,240)
Taxation charge/(credit) for the year	127,397	(226,496)

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 11 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 September 2018 and 31 August 2019	8,259,133
<b>Amortisation and impairment</b>	
At 1 September 2018	5,643,739
Amortisation charged for the year	825,913
At 31 August 2019	6,469,652
<b>Carrying amount</b>	
At 31 August 2019	1,789,481
At 31 August 2018	2,615,394

The company had no intangible fixed assets at 31 August 2019 or 31 August 2018.

### 12 Property, plant and equipment

Group	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	6,590,000	383,777	158,216	284,669	7,416,662
Additions	-	90,353	6,767	15,834	112,954
Disposals	-	-	-	(47,195)	(47,195)
At 31 August 2019	6,590,000	474,130	164,983	253,308	7,482,421
<b>Depreciation and impairment</b>					
At 1 September 2018	-	145,341	89,345	163,285	397,971
Depreciation charged in the year	-	32,881	11,349	31,430	75,660
Eliminated in respect of disposals	-	-	-	(39,287)	(39,287)
At 31 August 2019	-	178,222	100,694	155,428	434,344
<b>Carrying amount</b>					
At 31 August 2019	6,590,000	295,908	64,289	97,880	7,048,077
At 31 August 2018	6,590,000	238,436	68,871	121,384	7,018,691

The company had no property, plant and equipment at 31 August 2019 or 31 August 2018.

External valuations were carried out in respect of the properties by Jones Lang LaSalle, in June 2016. The basis of the valuation was open market value which was deemed to equate to existing use value at 31 August 2017. The directors consider that these valuations remain appropriate as at 31 August 2019.

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 12 Property, plant and equipment

(Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Cost	2,185,803	2,185,803	-	-
Accumulated depreciation	-	-	-	-
Carrying value	<u>2,185,803</u>	<u>2,185,803</u>	<u>-</u>	<u>-</u>

### 13 Investment property

	Group 2019 £	Company 2019 £
<b>Fair value</b>		
At 1 September 2018 and 31 August 2019	<u>4,690,000</u>	<u>6,590,000</u>

External valuations were carried out in respect of the properties by Jones Lang LaSalle, in June 2016. The basis of the valuation was open market value which was deemed to equate to existing use value at 31 August 2017. The directors consider that these valuations remain appropriate as at 31 August 2019.

### 14 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	15	<u>-</u>	<u>-</u>	<u>13,800,001</u>	<u>13,800,001</u>

#### Movements in non-current investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 September 2018 and 31 August 2019	<u>13,800,001</u>
<b>Carrying amount</b>	
At 31 August 2019	<u>13,800,001</u>
At 31 August 2018	<u>13,800,001</u>

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 15 Subsidiaries

Details of the company's subsidiaries at 31 August 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Vascroft Estates Limited	England and Wales	Property rental	Ordinary	100.00	
Vascroft Contractors Limited	England and Wales	Building contractors	Ordinary	100.00	

### 16 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	12,325,487	5,426,110	1	1
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	15,258,986	8,134,408	5,726,945	6,082,943

### 17 Trade and other receivables

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Amounts falling due within one year:</b>				
Trade receivables	7,406,805	1,610,606	-	-
Gross amounts due from contract customers	3,160,376	6,283,325	-	-
Other receivables	3,206,198	3,066,960	1	1
Prepayments and accrued income	259,482	209,806	-	-
	14,032,861	11,170,697	1	1
<b>Amounts falling due after more than one year:</b>				
Other receivables	1,712,484	802,840	-	-
<b>Total debtors</b>	15,745,345	11,973,537	1	1



# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Current liabilities

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	20	-	219,719	-	-
Trade payables		2,939,766	3,103,170	-	-
Amounts due to group undertakings		-	-	5,726,945	6,082,943
Corporation tax payable		775,916	111,013	83,516	83,552
Other taxation and social security		689,426	313,153	-	-
Deferred income		10,258	10,258	-	-
Accruals and deferred income		11,614,339	3,983,529	-	-
		<u>16,029,705</u>	<u>7,740,842</u>	<u>5,810,461</u>	<u>6,166,495</u>

### 19 Non-current liabilities

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	20	-	457,748	-	-
Trade payables		704,881	370,242	-	-
		<u>704,881</u>	<u>827,990</u>	<u>-</u>	<u>-</u>

### 20 Borrowings

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	-	677,467	-	-
Payable within one year	-	219,719	-	-
Payable after one year	-	457,748	-	-

The above bank loan was repayable over 10 years and was repaid in March 2019.

The bank loans and overdrafts amounting to £Nil (2018: £677,467) are secured by a charge on the freehold property held by the parent company, Vascroft Holdings Limited.

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Provisions for liabilities

	Group 2019 £	2018 £	Company 2019 £	2018 £
Provision for contract losses	3,442,254	-	-	-

Movements on provisions:

<b>Group</b>				£
Additional provisions in the year				3,442,254

### 22 Deferred taxation

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

	Liabilities 2019 £	Liabilities 2018 £
<b>Group</b>		
Accelerated capital allowances	76,447	70,016
Revaluations	596,985	613,062
	673,432	683,078
	Liabilities 2019 £	Liabilities 2018 £
<b>Company</b>		
Revaluations	306,697	316,565
	Group 2019 £	Company 2019 £
<b>Movements in the year:</b>		
Liability at 1 September 2018	683,078	316,565
Credit to profit or loss	(9,646)	(9,868)
Liability at 31 August 2019	673,432	306,697

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 23 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	365,128	240,545

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

### 24 Share capital

	Group and company	
	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of 1p each	10	10

### 25 Reserves

#### Revaluation Reserve

The revaluation reserve includes all revaluation surpluses of freehold property for current and prior periods.

#### Merger Reserve

The merger relief reserve arises on the acquisition of subsidiaries.

#### Profit & loss account

The profit and loss account includes all current and prior period retained profit and losses.

### 26 Operating lease commitments

#### Lessee

The group and the company had no commitments under the non-cancellable operating leases as at the reporting date.

### 27 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019	2018
	£	£
Aggregate compensation	994,350	422,692

The group made a donation of £500,000 to a charitable foundation which has common trustees/directors.

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 28 Controlling party

The ultimate controlling party is considered to be the SAV Trust.

### 29 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	5,227,500	1,572,871
Adjustments for:		
Taxation charged/(credited)	127,397	(226,496)
Finance costs	7,892	19,526
Investment income	(91,263)	(24,920)
Loss on disposal of property, plant and equipment	1,308	45,147
Amortisation and impairment of intangible assets	825,913	825,913
Depreciation and impairment of property, plant and equipment	75,660	81,447
Increase in provisions	3,442,254	-
Movements in working capital:		
(Increase) in trade and other receivables	(3,826,104)	(4,894,392)
Increase in trade and other payables	8,232,614	2,540,119
<b>Cash generated from/(absorbed by) operations</b>	<b>14,023,171</b>	<b>(60,785)</b>