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**VASCROFT HOLDINGS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**



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**VASCROFT HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mr S K Vekaria Mr M S Vekaria
<b>Company secretary</b>	Mrs C Vora
<b>Registered number</b>	07721503
<b>Registered office</b>	Vascroft Estate 861 Coronation Road Park Royal London NW10 7PT
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 30 Finsbury Square London EC2P 2YU
<b>Bankers</b>	HSBC Bank Plc 2nd Floor, Space One 1 Beadon Road, Hammersmith London, W6 0EA  Lloyds TSB Private Banking Limited 50 Grosvenor Street London W1K 3LF  Bank of India 714-716 Kenton Road Harrow Middlesex HA3 9QX
<b>Solicitors</b>	Clarkslegal LLP One Forbury Square The Forbury Reading RG1 3EB

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**VASCROFT HOLDINGS LIMITED**

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## VASCROFT HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2018

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#### Introduction

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

The principal activity of the group during the period was that of carrying out construction operations. 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.

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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 the strategic report.

#### Business review

As the group celebrates its 42nd 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.

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## VASCROFT HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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#### **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 risk**

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.

#### **Financial key performance indicators**

The group's key performance indicators are revenue and gross margin. 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 circa £45.7m whilst our headline gross margin improved in line with our expectations at circa 10%. 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.

#### **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.

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## VASCROFT HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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#### **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 120 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.

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



**Mr M S Vekaria**  
Director  
Date: 23 November 2018

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## VASCROFT HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

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The directors present their report and the financial statements for the year ended 31 August 2018.

#### Results and dividends

The profit for the year, after taxation, amounted to £1,572,871 (2017: £139,120).

During the year the company did not pay a dividend (2017: £Nil).

#### Directors

The directors who served during the year were:

Mr S K Vekaria  
Mr M S Vekaria

#### Qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Director's Report.

#### Directors' responsibilities statement

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

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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**VASCROFT HOLDINGS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

**Post balance sheet events**

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

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



**Mr M S Vekaria**  
Director  
Date: 23 November 2018





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## 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 2018, which comprise the Consolidated Statement of comprehensive income, the Consolidated and company Statements of financial position, the Consolidated Statement of cash flows, the Consolidated and company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Who we are reporting to

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.

### 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.



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

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**Other information**

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

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

**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 Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report by the Companies Act 2006**

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 Group strategic report or the Directors' report.

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept 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.



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

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**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement on page 4, 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.



Andy Ka BA FCA (Senior statutory auditor)  
for and on behalf of Grant Thornton UK LLP  
Chartered Accountants  
London Finsbury

23 November 2018

VASCROFT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Turnover	4	45,651,434	38,757,891
Cost of sales		(40,551,444)	(35,279,148)
<b>Gross profit</b>		<b>5,099,990</b>	<b>3,478,743</b>
Administrative expenses		(3,713,862)	(3,360,464)
Exceptional other operating charges		(45,147)	-
<b>Operating profit</b>	5	<b>1,340,981</b>	<b>118,279</b>
Interest receivable and similar income	9	24,920	68,828
Interest payable and expenses	10	(19,526)	(23,726)
<b>Profit before taxation</b>		<b>1,346,375</b>	<b>163,381</b>
Tax on profit	11	226,496	(24,261)
<b>Profit for the financial year</b>		<b>1,572,871</b>	<b>139,120</b>
Unrealised surplus on revaluation of tangible fixed assets		-	120,000
Deferred tax on revaluation of fixed assets		-	523,367
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>643,367</b>
<b>Total comprehensive income for the year</b>		<b>1,572,871</b>	<b>782,487</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent company		1,572,871	139,120
		<b>1,572,871</b>	<b>139,120</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent company		1,572,871	782,487
		<b>1,572,871</b>	<b>782,487</b>

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

The notes on pages 16 to 35 form part of these financial statements.

**VASCROFT HOLDINGS LIMITED**  
**REGISTERED NUMBER:07721503**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	12	2,615,394	3,441,307
Tangible assets	13	7,018,691	7,076,348
Investment property	15	4,690,000	4,690,000
		<u>14,324,085</u>	<u>15,207,655</u>
<b>Current assets</b>			
Debtors	16	11,973,537	7,080,786
Cash at bank and in hand	17	848,748	1,044,519
		<u>12,822,285</u>	<u>8,125,305</u>
Creditors: amounts falling due within one year	18	(7,740,842)	(5,313,451)
<b>Net current assets</b>		<u>5,081,443</u>	<u>2,811,854</u>
<b>Total assets less current liabilities</b>		<u>19,405,528</u>	<u>18,019,509</u>
Creditors: amounts falling due after more than one year	19	(827,990)	(1,006,603)
<b>Provisions for liabilities</b>			
Deferred taxation	22	(683,078)	(691,317)
		<u>(683,078)</u>	<u>(691,317)</u>
<b>Net assets</b>		<u><u>17,894,460</u></u>	<u><u>16,321,589</u></u>
<b>Capital and reserves</b>			
Called up share capital	23	10	10
Revaluation reserve	24	3,736,369	3,736,369
Merger relief reserve	24	5,799,991	5,799,991
Profit and loss account	24	8,358,090	6,785,219
		<u>17,894,460</u>	<u>16,321,589</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**Mr S K Vekaria**

Director

Date: 23 November 2018

**Mr M S Vekaria**

Director

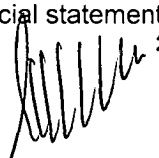
The notes on pages 16 to 35 form part of these financial statements.

**VASCROFT HOLDINGS LIMITED**  
**REGISTERED NUMBER:07721503**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	14	13,800,001	13,800,001
Investment property	15	6,590,000	6,590,000
		<u>20,390,001</u>	<u>20,390,001</u>
<b>Current assets</b>			
Debtors	16	1	1
Cash at bank and in hand	17	1,091	5,344
		<u>1,092</u>	<u>5,345</u>
Creditors: amounts falling due within one year	18	(6,166,495)	(6,526,942)
<b>Net current liabilities</b>		<u>(6,165,403)</u>	<u>(6,521,597)</u>
<b>Total assets less current liabilities</b>		<u>14,224,598</u>	<u>13,868,404</u>
<b>Provisions for liabilities</b>			
Deferred taxation	22	(316,565)	(316,565)
		<u>(316,565)</u>	<u>(316,565)</u>
<b>Net assets</b>		<u>13,908,033</u>	<u>13,551,839</u>
<b>Capital and reserves</b>			
Called up share capital	23	10	10
Merger relief reserve	24	5,799,991	5,799,991
Profit and loss account brought forward		7,751,838	8,007,643
Profit/(loss) for the year		356,194	(255,805)
Profit and loss account carried forward		8,108,032	7,751,838
		<u>13,908,033</u>	<u>13,551,839</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**Mr S K Vekaria**  
 Director  
 Date: 23 November 2018

  
**Mr M S Vekaria**  
 Director

The notes on pages 16 to 35 form part of these financial statements.

VASCROFT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2018

	Called up share capital	Revaluation reserve	Merger relief reserve	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£	£	£
At 1 September 2017	10	3,736,369	5,799,991	6,785,219	16,321,589	16,321,589
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	1,572,871	1,572,871	1,572,871
<b>Total comprehensive income for the year</b>	-	-	-	1,572,871	1,572,871	1,572,871
<b>At 31 August 2018</b>	<b>10</b>	<b>3,736,369</b>	<b>5,799,991</b>	<b>8,358,090</b>	<b>17,894,460</b>	<b>17,894,460</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2017

	Called up share capital	Revaluation reserve	Merger relief reserve	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£	£	£
At 1 September 2016	10	3,093,002	5,799,991	6,646,099	15,539,102	15,539,102
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	139,120	139,120	139,120
Surplus on revaluation of freehold property	-	120,000	-	-	120,000	120,000
Deferred tax on revaluation of fixed assets	-	523,367	-	-	523,367	523,367
<b>Total comprehensive income for the year</b>	-	643,367	-	139,120	782,487	782,487
<b>At 31 August 2017</b>	<b>10</b>	<b>3,736,369</b>	<b>5,799,991</b>	<b>6,785,219</b>	<b>16,321,589</b>	<b>16,321,589</b>

The notes on pages 16 to 35 form part of these financial statements.

VASCROFT HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2018

	Called up share capital	Merger relief reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2017	10	5,799,991	7,751,838	13,551,839
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	356,194	356,194
<b>Total comprehensive income for the year</b>	-	-	356,194	356,194
<b>At 31 August 2018</b>	<b>10</b>	<b>5,799,991</b>	<b>8,108,032</b>	<b>13,908,033</b>

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2017

	Called up share capital	Merger relief reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2016	10	5,799,991	8,007,643	13,807,644
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(255,805)	(255,805)
<b>Total comprehensive income for the year</b>	-	-	(255,805)	(255,805)
<b>At 31 August 2017</b>	<b>10</b>	<b>5,799,991</b>	<b>7,751,838</b>	<b>13,551,839</b>

The notes on pages 16 to 35 form part of these financial statements.



VASCROFT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,572,871	139,120
<b>Adjustments for:</b>		
Amortisation of intangible assets	825,913	825,913
Depreciation of tangible assets	81,447	84,071
Loss on disposal of tangible assets	-	(658)
Interest paid	19,526	23,726
Interest received	(24,920)	(68,828)
Taxation charge	(226,496)	24,261
(Increase)/decrease in debtors	(4,894,392)	3,547,742
Increase/(decrease) in creditors	2,540,119	(2,319,350)
Corporation tax received/(paid)	283,317	(212,772)
<b>Net cash generated from operating activities</b>	<b>177,385</b>	<b>2,043,225</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(74,438)	(69,022)
Sale of tangible fixed assets	50,648	15,850
Interest received	24,920	68,828
<b>Net cash from investing activities</b>	<b>1,130</b>	<b>15,656</b>

VASCROFT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018

	2018 £	2017 £
<b>Cash flows from financing activities</b>		
Repayment of loans	(222,531)	(234,089)
Interest paid	(19,526)	(23,726)
<b>Net cash used in financing activities</b>	<b>(242,057)</b>	<b>(257,815)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(63,542)</b>	<b>1,801,066</b>
Cash and cash equivalents at beginning of year	912,290	(888,776)
<b>Cash and cash equivalents at the end of year</b>	<b>848,748</b>	<b>912,290</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	848,748	1,044,519
Bank overdrafts	-	(132,229)
	<b>848,748</b>	<b>912,290</b>

The notes on pages 16 to 35 form part of these financial statements.

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## VASCROFT HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1. General information

The group is a private group limited by shares and is incorporated and registered in England and Wales. The registered number is 07721503. Its registered head office is located at Vascroft Estate, 861 Coronation Road, Park Royal, London, NW10 7PT.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

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

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.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

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

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 September 2014.

##### 2.3 Going concern

The directors have prepared the financial statements under the going concern concept, as they believe that the group has sufficient funding to be able to meet its liabilities as and when they fall due for the foreseeable future, being a period of not less than twelve months from date of approval of these financial statements.

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## VASCROFT HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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#### 2. Accounting policies (continued)

##### 2.4 Turnover

Turnover is recognised to the extent that it is probable 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 taxes. 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 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.

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

##### 2.5 Intangible assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life of ten years.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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**2. Accounting policies (continued)**

**2.6 Tangible fixed assets**

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant & machinery	-	10%
Motor vehicles	-	25%
Fixtures & fittings	-	15%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

**2.7 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year 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.

**2.8 Investment property**

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

**2.9 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

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## VASCROFT HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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#### 2. Accounting policies (continued)

##### 2.10 Debtors

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

##### 2.11 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.

##### 2.12 Financial instruments

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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**2. Accounting policies (continued)**

**2.13 Creditors**

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

**2.14 Foreign currency translation**

**Functional and presentation currency**

The Group's functional and presentational currency is GBP.

**Transactions and balances**

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 date 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.

**2.15 Finance costs**

Finance costs 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.

**2.16 Pensions**

**Defined contribution pension plan**

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 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.

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## VASCROFT HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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#### **2. Accounting policies (continued)**

##### **2.17 Holiday pay accrual**

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 future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

##### **2.18 Interest income**

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

##### **2.19 Borrowing costs**

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

##### **2.20 Provisions for liabilities**

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, 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.



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## VASCROFT HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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#### 2. Accounting policies (continued)

##### 2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### 2.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

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## VASCROFT HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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

When preparing the financial statements, management undertake a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

##### **Debtor recoverability**

Where outstanding customer debt from 31 August 2018 has still to be wholly or partially recovered by the date of the approval of these financial statements, management have exercised judgement 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 balance sheet 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.

#### 4. Turnover

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

	2018 £	2017 £
Property construction	45,189,634	38,480,129
Rental income	461,800	277,762
	<u>45,651,434</u>	<u>38,757,891</u>

All turnover arose within the United Kingdom.

#### 5. Operating profit

The operating profit is stated after charging/[crediting]:

	2018 £	2017 £
Depreciation of tangible fixed assets	81,447	84,071
Amortisation of intangible assets, including goodwill	825,913	825,913
Exchange differences	14	(5)
	<u>825,913</u>	<u>825,913</u>

**VASCROFT HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**6. Auditor's remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	<b>750</b>	<b>700</b>
Accounting services	<b>2,750</b>	<b>2,750</b>
Fees payable to the Group's auditor and its associates for the audit of the subsidiaries' annual financial statements	<b>18,000</b>	<b>18,250</b>
	<u><b>18,750</b></u>	<u><b>21,650</b></u>

**7. Employees**

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

	<b>Group 2018</b>	<i>Group 2017</i>	<b>Company 2018</b>	<i>Company 2017</i>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	<b>4,682,643</b>	<i>4,508,820</i>	-	-
Social security costs	<b>122,687</b>	<i>479,048</i>	-	-
Cost of defined contribution scheme	<b>240,545</b>	<i>399,883</i>	-	-
	<u><b>5,045,875</b></u>	<u><i>5,387,751</i></u>	<u>-</u>	<u>-</u>

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Production	<b>71</b>	<b>75</b>
Administration	<b>41</b>	<b>41</b>
Management	<b>2</b>	<b>2</b>
	<u><b>114</b></u>	<u><b>118</b></u>

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VASCROFT HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	402,692	334,682
Company contributions to defined contribution pension scheme	20,000	40,000
	<u>422,692</u>	<u>374,682</u>

During the year retirement benefits were accruing to 1 directors (2017 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £216,667 (2017 - £170,833).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2017 - £40,000).

9. Interest receivable

	2018 £	2017 £
Other interest receivable	<u>24,920</u>	<u>68,828</u>

10. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	19	687
Other loan interest payable	19,507	23,039
	<u>19,526</u>	<u>23,726</u>

VASCROFT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

11. Taxation

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	112,684	47,594
Adjustments in respect of previous periods	(330,941)	-
<b>Total current tax</b>	<b>(218,257)</b>	<b>47,594</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(8,239)	(23,333)
<b>Taxation on (loss)/profit on ordinary activities</b>	<b>(226,496)</b>	<b>24,261</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	1,346,375	163,381
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 20%)	255,811	32,676
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	156,867	165,813
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	24,403	402
Capital allowances for year in excess of depreciation	(14,845)	(15,575)
Other timing differences leading to an decrease in taxation	-	(10,573)
R&D tax refund claimed	(309,551)	(148,482)
R&D tax credit received for prior years	(330,941)	-
Deferred tax	(8,240)	-
<b>Total tax (credit)/charge for the year</b>	<b>(226,496)</b>	<b>24,261</b>

**Factors that may affect future tax charges**

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VASCROFT HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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**11. Taxation (continued)**

A reduction in the long-term UK corporate tax rate from 19% from 1 April 2017 to 17% 1 April 2020 was substantively enacted on 15 September 2016 as part of the 2016 Finance Act. This will reduce the group's tax charges in future years.

**12. Intangible assets**

**Group**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 September 2017	8,259,133
At 31 August 2018	<u>8,259,133</u>
<b>Amortisation</b>	
At 1 September 2017	4,817,826
Charge for the year	825,913
At 31 August 2018	<u>5,643,739</u>
<b>Net book value</b>	
At 31 August 2018	<u><u>2,615,394</u></u>
At 31 August 2017	<u><u>3,441,307</u></u>

VASCROFT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

13. Tangible fixed assets

Group

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>					
At 1 September 2017	6,590,000	455,051	256,760	209,983	7,511,794
Additions	-	16,800	44,904	12,734	74,438
Disposals	-	(88,074)	(16,995)	(64,501)	(169,570)
At 31 August 2018	6,590,000	383,777	284,669	158,216	7,416,662
<b>Depreciation</b>					
At 1 September 2017	-	169,410	141,922	124,114	435,446
Charge for the year on owned assets	-	30,246	36,408	14,793	81,447
Disposals	-	(54,315)	(15,045)	(49,562)	(118,922)
At 31 August 2018	-	145,341	163,285	89,345	397,971
<b>Net book value</b>					
At 31 August 2018	6,590,000	238,436	121,384	68,871	7,018,691
At 31 August 2017	6,590,000	285,641	114,838	85,869	7,076,348

Cost or valuation at 31 August 2018 is as follows:

	Land and buildings £
<b>At cost</b>	2,185,803
<b>At valuation:</b>	
Valuation on 16 June 2017	4,404,197
	<u>6,590,000</u>

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VASCROFT HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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**13. Tangible fixed assets (continued)**

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2018 £	2017 £
<b>Group</b>		
Cost	2,185,803	2,185,803
<b>Net book value</b>	<u>2,185,803</u>	<u>2,185,803</u>



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**VASCROFT HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**14. Fixed asset investments**

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Vascroft Contractors Limited	Ordinary	100 %	Building contractors
Vascroft Estates Limited	Ordinary	100 %	Property rental

The aggregate of the share capital and reserves as at 31 August 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(loss) £</b>
Vascroft Contractors Limited	13,504,429	1,918,655
Vascroft Estates Limited	1,687,497	144,532
	<u>15,191,926</u>	<u>2,063,187</u>

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 September 2017	13,800,001
At 31 August 2018	<u>13,800,001</u>
<b>Net book value</b>	
At 31 August 2018	13,800,001
At 31 August 2017	<u>13,800,001</u>

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VASCROFT HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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15. Investment property

Group

Freehold  
investment  
property  
£

Valuation

At 1 September 2017

4,690,000

At 31 August 2018

4,690,000

The 2016 valuations were made by Jones Lang Lasalle, on an open market value for existing use basis. The directors are of the view that there have not been any changes to the value since then.

Company

Freehold  
investment  
property  
£

Valuation

At 1 September 2017

6,590,000

At 31 August 2018

6,590,000

The 2016 valuations were made by Jones Lang Lasalle, on an open market value for existing use basis. The directors are of the view that there have not been any changes to the value since then.

VASCROFT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

16. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
<b>Due after more than one year</b>				
Other debtors	802,840	602,010	-	-
	<u>802,840</u>	<u>602,010</u>	<u>-</u>	<u>-</u>
<b>Due within one year</b>				
Trade debtors	1,610,606	2,497,111	-	-
Other debtors	3,066,960	2,241,459	1	1
Prepayments and accrued income	209,806	177,299	-	-
Amounts recoverable on long term contracts	6,283,325	1,562,907	-	-
	<u>11,973,537</u>	<u>7,080,786</u>	<u>1</u>	<u>1</u>

17. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	848,748	1,044,519	1,091	5,344
Less: bank overdrafts	-	(132,229)	-	-
	<u>848,748</u>	<u>912,290</u>	<u>1,091</u>	<u>5,344</u>

18. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank overdrafts	-	132,229	-	-
Bank loans	219,719	222,530	-	-
Trade creditors	3,103,170	2,452,189	-	-
Amounts owed to group undertakings	-	-	6,082,943	6,512,149
Corporation tax	111,013	47,594	83,552	14,793
Other taxation and social security	313,153	534,233	-	-
Other creditors	-	290,950	-	-
Accruals and deferred income	3,993,787	1,633,726	-	-
	<u>7,740,842</u>	<u>5,313,451</u>	<u>6,166,495</u>	<u>6,526,942</u>

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**VASCROFT HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**19. Creditors: Amounts falling due after more than one year**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>
Bank loans	<b>457,748</b>	677,468
Trade creditors	<b>370,242</b>	329,135
	<u><b>827,990</b></u>	<u>1,006,603</u>

The above bank loan is repayable over 10 years, the final installment falling due in 2021. Interest is charged at 2.03% per annum over the Bank's Sterling Base Rate.

The bank loans and overdrafts amounting to £677,467 (2017: £1,032,227) are secured by a charge on the freehold property.

**20. Loans**

Analysis of the maturity of loans is given below:

	<b>Group 2018 £</b>	<i>Group 2017 £</i>
<b>Amounts falling due within one year</b>		
Bank loans	<b>219,719</b>	222,530
	<u>219,719</u>	<u>222,530</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	<b>457,748</b>	677,468
	<u><b>677,467</b></u>	<u>899,998</u>

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21. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
<b>Financial assets</b>				
Cash and cash equivalents	848,748	1,044,519	1,091	5,344
Financial assets that are debt instruments measured at amortised cost	5,327,600	5,340,580	1	1
	<u>6,176,348</u>	<u>6,385,099</u>	<u>1,092</u>	<u>5,345</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(8,134,408)	(5,727,969)	(6,082,943)	(6,512,149)

Financial assets measured at amortised cost comprise of trade debtors, other debtors and accrued income.

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

22. Deferred taxation

Group

	2018 £	2017 £
At beginning of year	(691,317)	(1,238,017)
Charged to profit or loss	8,239	23,333
Charged to other comprehensive income	-	523,367
<b>At end of year</b>	<u>(683,078)</u>	<u>(691,317)</u>

The provision for deferred taxation is made up as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Excess of taxation allowances over depreciation on fixed assets	<u>(683,078)</u>	<u>(691,317)</u>	<u>(316,565)</u>	<u>(316,565)</u>

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**23. Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares shares of £0.01 each	10	10

**24. 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 the subsidiaries.

**Profit & loss account**

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

**25. Pension commitments**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £240,545 (2017: £399,883).

Contributions totalling £Nil (2017: £Nil) were payable to the fund at the balance sheet date.

**26. Commitments under operating leases**

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

**27. Related party transactions**

The company has taken advantage of Financial Reporting Standard 102 section 33 "Related Party Disclosures" and has not disclosed transactions with group members on the basis that the results of Vascroft Holdings Limited are included within consolidated financial statements that are publicly available.

Key management personnel compensation was £422,692 (2017: £393,762).

**28. Controlling party**

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