

AYTOUN STREET DEVELOPMENTS LIMITED

(Company Number: 08682592)

ANNUAL REPORT

2017

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COMPANY INFORMATION

Directors

D R Anderson
A R Brady
T G Heatley
A S Higgins

Company Secretary

R A Deards

Registered Office

Banner Cross Hall
Ecclesall Road South
Sheffield
United Kingdom
S11 9PD

Registered in England
No. 08682592

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square
29 Wellington Street
Leeds
LS1 4DL

Bankers

Barclays Bank PLC
2 Arena Court
Sheffield
S9 2LF

REPORT OF THE DIRECTORS

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2017.

Results

The loss for the year is set out in the Statement of Comprehensive Income on page 7.

The Directors do not recommend the payment of a final dividend.

Principal activities

The principal activity of the Company is property development and management.

Directors

D R Anderson, A R Brady, T G Heatley and A S Higgins held office as Directors of the Company throughout 2017 and up to the date of signing these financial statements.

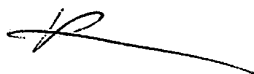
Statement of disclosure of information to auditors

The Directors of the Company who held office at the date of approval of this Annual Report as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board and signed on behalf of the Board,



D R Anderson
Director

24 May 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

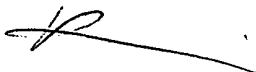
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board and signed on behalf of the Board,



D R Anderson
Director

24 May 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AYTOUN STREET DEVELOPMENTS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Aytoun Street Developments Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AYTOUN STREET DEVELOPMENTS LIMITED (CONTINUED)**

Reporting on other information (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AYTOUN STREET DEVELOPMENTS LIMITED (CONTINUED)**

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Report of the Directors; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Lee Wilkinson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
24 May 2018

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Revenue	1	11,147,410	13,519,866
Cost of sales		(11,148,959)	(12,960,341)
Gross (loss)/profit		(1,549)	559,525
Administrative expenses		(4,673)	(178)
Operating (loss)/profit		(6,222)	559,347
Finance income	4	222	-
(Loss)/profit before tax		(6,000)	559,347
Tax	5	1,155	(111,869)
(Loss)/profit for the year		(4,845)	447,478
Total comprehensive (loss)/profit for the year		(4,845)	447,478
Attributable to:			
Owners of the Company		(4,845)	447,478

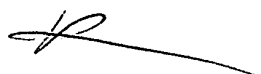
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
ASSETS			
Current assets			
Trade and other receivables	7	295,322	2,741,288
Cash and cash equivalents		167,681	1,031,775
		463,003	3,773,063
LIABILITIES			
Current liabilities			
Trade and other payables	8	370,270	3,675,485
		370,270	3,675,485
Net assets		92,733	97,578
EQUITY			
Share capital	10	100	100
Retained earnings		92,633	97,478
Total equity		92,733	97,578

The financial statements, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, the Accounting Policies and the related notes, were approved by the Board of Directors and authorised for issue on 24 May 2018.

Signed on behalf of the Board,



D R Anderson
Director

Aytoun Street Developments Limited
Registered in England No. 08682592

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share Capital £	Retained Earnings £	Total Equity £
At 1 January 2016	100	-	100
Total comprehensive profit for the year	-	447,478	447,478
Dividends paid	-	(350,000)	(350,000)
At 31 December 2016	100	97,478	97,578
Total comprehensive expense for the year	-	(4,845)	(4,845)
At 31 December 2017	100	92,633	92,733

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Cash flows from operating activities		
Operating (loss)/profit	(4,845)	559,347
Operating cash flows before movements in working capital	(4,845)	559,347
Decrease/(increase) in receivables	2,445,744	(2,606,084)
(Decrease)/increase in payables	(3,193,346)	3,428,512
Cash (outflow)/inflow from operations	(752,447)	1,381,775
Tax paid	(111,869)	-
Net cash (outflow)/inflow from operating activities	(864,316)	1,381,775
Cash flows from investing activities		
Interest received	222	-
Net cash inflow from investing activities	222	-
Cash flows from financing activities		
Dividends paid on ordinary shares	-	(350,000)
Net cash flows used in financing activities	-	(350,000)
Net (decrease)/increase in cash and cash equivalents	(864,094)	1,031,775
Net cash and cash equivalents at beginning of year	1,031,775	-
Net cash and cash equivalents at end of year	167,681	1,031,775

ACCOUNTING POLICIES

General information

The Company is a limited Company incorporated in the UK and domiciled in the UK under the Companies Act 2006. The address of the registered office is given on page 1.

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC") interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under "IFRS".

The financial statements have been prepared on a going concern basis, applying a historical cost convention, except for financial instruments, which are measured at fair value.

The principal accounting policies applied in the preparation of these financial statements are set out below and, unless otherwise stated, have been consistently applied for all years presented.

Revenue recognition

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

Construction contracts

Contract revenue includes an assessment of the amounts agreed in the contract, plus or less any variations in contract work and claims to the extent that they are approved and can be measured reliably. Variations (which are claims for additional revenue where the scope of work has changed for example) and claims (for time delays or disruption for example) are normal features of construction contracts but can be very difficult to determine and agree. The Company therefore assesses the revenue recognised on a contract by contract basis.

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity at the Statement of Financial Position date, and profit is that estimated to fairly reflect the profit arising up to that date. The principal method used to recognise the stage of completion of a contract is an internal survey of the work performed.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Tax

The tax charge on the profit or loss for the year comprises the sum of tax currently payable and any deferred tax movements in the period.

Corporation tax liabilities of the Company are transferred to and paid by the Parent Company and credit is received from the Parent Company for loss relief surrendered.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computing taxable profits. The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position 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 assets to be recovered.

Provision for tax is made at the appropriate tax rate anticipated to apply at the time of payment.

ACCOUNTING POLICIES (continued)

Share capital

Ordinary shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Financial instruments

Financial assets or financial liabilities are recognised by the Company in the Statement of Financial Position only when the Company becomes a party to the contractual provisions of the instrument.

The principal financial instruments are:

- Trade and other receivables which are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost using the effective interest rate method (see Interest income and expense below). Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote;
- Cash and cash equivalents which comprise cash at bank and in hand; and
- Trade and other payables which are on normal credit terms, are not interest bearing and are stated at their nominal values. Where the time value of money is material, payables are carried at amortised cost using the effective interest rate method.

Capital management

The objectives, policies and processes for managing capital are performed on a Group wide basis and disclosed in the financial statements of Henry Boot PLC. This is unchanged from the previous period.

Financial risk management

The objectives, policies and processes for managing financial risk are performed on a Group wide basis and disclosed in the financial statements of Henry Boot PLC. This is unchanged from the previous period.

Significant accounting estimates and judgments

The critical judgement in applying the Company's accounting policies and that has the most significant effect on the amounts recognised in the financial statements relate to construction contracts. These are referred to above, and are interpreted by management in the light of IAS 11 'Construction contracts'.

ACCOUNTING POLICIES (continued)

Impact of accounting standards and interpretations

At the date of authorisation of these Financial Statements, the following standards, amendments and interpretations to existing standards are effective or mandatory for the first time for the accounting year ended 31 December 2017:

		Effective from
Annual improvements (issued 2016)	'Annual Improvements to IFRSs 2014–2016 Cycle'	1 January 2017
IAS 7 (amended 2017)	'Disclosure Initiative'	1 January 2018*
IAS 12 (amended 2017)	'Recognition of Deferred Tax Assets for Unrealised Losses'	1 January 2018*

The adoption of these standards and interpretations has not had a significant impact on the Company.

The Company did not early adopt any standard or interpretation not yet mandatory.

At the date of the authorisation of these Financial Statements, the following standards, amendments and interpretations were in issue but not yet effective:

Annual improvements (issued 2017)	'Annual Improvements to IFRSs 2015–2017 Cycle'	1 January 2019*
IAS 19 (amended 2018)	'Plan Amendment, Curtailment or Settlement'	1 January 2019*
IAS 28 (amended 2017)	'Long-term Interests in Associates and Joint Ventures'	1 January 2019*
IAS 40 (amended 2016)	'Transfers of Investment Property'	1 January 2018*
IFRIC 22 (amended 2016)	'Foreign Currency Transactions and Advance Consideration'	1 January 2018*
IFRIC 23 (amended 2017)	'Uncertainty over Income Tax Treatments'	1 January 2019*
IFRS 2 (amended 2016)	'Classification and Measurement of Share-based Payment Transactions'	1 January 2018*
IFRS 4 (amended 2016)	'Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts'	1 January 2018
IFRS 9 (issued 2014)	'Financial Instruments'	1 January 2018
IFRS 9 (issued 2017)	'Payments Features with Negative Compensation'	1 January 2019*
IFRS 15 (issued 2014)	'Revenue from Contracts with Customers'	1 January 2018
IFRS 15 (amended 2016)	'Revenue from Contracts with Customers'	1 January 2018
IFRS 16 (issued 2016)	'Leases'	1 January 2019
IFRS 17 (issued 2017)	'Insurance Contracts'	1 January 2021*

* Not yet endorsed by the EU.

A review of the impact of these standards, amendments and interpretations has been conducted and the Directors do not believe that they will give rise to any significant financial impact.

IFRS15 'Revenue from Contracts with Customers' was issued by the IASB in May 2014 and became effective for accounting periods beginning on or after 1 January 2018. The Company has completed an impact assessment of the new standard and identified the affected area as being the separation of performance obligations and contract modifications on construction contracts. Having reviewed the Company's ongoing contracts the Directors are satisfied that no material adjustments will be required on the initial application of the new standard and that all new contracts will be assessed against the new recognition criteria.

The Directors have also assessed the impact of IFRS 9 'Financial Instruments' and continue to assess the impact of IFRS 16 'Leases' but do not expect either to have a material quantitative effect.

In 2017, the Company did not early adopt any new or amended standards and does not plan to early adopt any of the standards issued but not yet effective.

NOTES TO THE FINANCIAL STATEMENTS

1. Revenue

An analysis of revenue is as follows:

	2017 £	2016 £
Construction contract revenue	11,147,410	4,119,866
Sales of land and buildings	-	9,400,000
	11,147,410	13,519,866

2. Directors and employees

	2017 No.	2016 No.
Average monthly number of persons employed (including Directors):		
Directors	3	3
Company Secretary	1	1
	4	4

3. Emoluments of Directors and employees

The Directors and the Company Secretary, who are the key management personnel of the Company, received no remuneration from this Company during the current or the prior financial year for their services to this Company. The Directors and the Company Secretary are remunerated by either the ultimate Parent Company or the immediate Parent Company for their services and it is considered that the amount receivable in respect of qualifying services to this Company is £nil (2016: £nil).

4. Finance income

	2017 £	2016 £
Other interest received	222	-
	222	-

5. Tax

	2017 £	2016 £
(a) Analysis of (credit)/charge in year:		
Current tax:		
Corporation tax (credit)/charge at 19.25% (2016: 20%) on the (Loss)/profit before tax for the year	(1,155)	111,869
Total tax (credit)/charge	(1,155)	111,869

(b) Factors affecting tax (credit)/charge for year:

There is no difference between the tax assessed for the year and the standard rate of corporation tax in the United Kingdom of 19.25% (2016: 20%).

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Construction contracts	2017	2016
	£	£
Contracts in progress at 31 December:		
Amounts due (to)/from contract customers included in trade and other (payables)/receivables	(104,543)	1,715,573
Contract costs incurred plus recognised profits less recognised losses to date	15,267,275	4,119,866
Less progress billings	(15,371,818)	(2,404,293)
	(104,543)	1,715,573

7. Trade and other receivables	2017	2016
	£	£
Trade receivables and pre-payments	294,167	2,576,842
Amounts owed by related parties	-	164,446
Amounts owed in respect of tax	1,155	-
	295,322	2,741,288

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

8. Trade and other payables	2017	2016
	£	£
Trade payables, accrued expenditure and deferred income	356,358	3,063,616
Amounts due to related parties	13,912	500,000
Amounts due in respect of tax	-	111,869
	370,270	3,675,485

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

9. Credit risk

The Company's principal financial assets are trade and other receivables, which represent the Company's maximum exposure to credit risk in relation to financial assets.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and their assessment of the current economic environment.

The Company has no significant concentration of credit risk in respect of trade and other receivables.

10. Share capital

The authorised share capital consisted of 100 (2016: 100) ordinary shares of £1 each, all of which were allotted and fully paid.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Related parties

The Company is owned 50% by Henry Boot Manchester Limited and 50% by Capital & Centric Limited, both of which are companies registered in England and Wales. The Company has no ultimate controlling party.

Transactions between the Company and its related parties are shown below:

	2017	2016
	£	£
Amounts owed by Company to Henry Boot Developments Limited	-	(472,755)
Amounts owed by Company to Capital & Centric Developments Limited	-	(27,245)
Amounts owed to Company by Bigmouth Manchester Limited	-	164,446
Project Management Fees paid to related parties	736,824	-

Amounts owed to related parties as disclosed in note 8 are unsecured and will be settled in cash. Interest is charged annually at 3.5% on borrowings of actively trading group companies. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.