

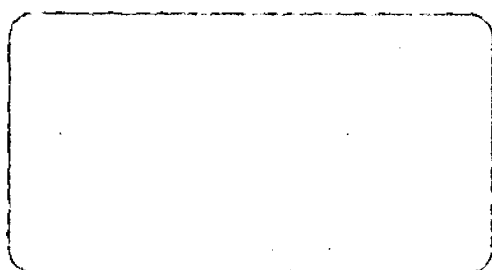
Company Registration number: 02252129

ACHESON CONSTRUCTION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018



ACHESON CONSTRUCTION LIMITED
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ACHESON CONSTRUCTION LIMITED
COMPANY INFORMATION

Directors R D J Acheson
C Johnson
M A Drysdale
S Mason
L E Surcouf
D Willcock

Company secretary S A Murphy

Registered office Unit 2a
Railway Triangle Industrial Estate
Dorchester
Dorset
DT1 2PJ

Auditors Albert Goodman LLP
Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

ACHESON CONSTRUCTION LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 29 DECEMBER 2018

The directors present their strategic report for the year ended 29 December 2018.

Principal activity

The principal activity of the company is that of a building contractor.

Fair review of the business

The company has achieved a strong performance during the period, with continued growth in line with the company's planned strategy.

A turnover of £23,503,257 was recorded during the 12-month period to 29 December 2018 (2017: £21,836,199). Pre-tax profit of £673,297 (2.86%) is declared (2017: £1,595,260).

In accordance with the company's ambitions for developing its resource and supply chain within Hampshire and surrounding counties, the business has secured new premises at Solent Business Park, Whiteley. This new location provides additional space for continued growth to capitalise on the varied competitive and negotiated opportunities presenting themselves in this region.

The Hampshire region continues to meet the company's growth targets and has secured a number of high-profile schemes in the leisure, commercial, education and care sectors. Through the successful delivery of such projects, the company continues to develop new and existing client and consultant relationships and future opportunities for repeat and negotiated business.

The expansion of the geographical area of business operation continues to provide the company with a solid platform for sustainable growth with the Hampshire region forecast to provide a major contribution to turnover and profit in the forthcoming financial year.

Despite the skills shortage within the industry at all levels, the company has been successful in attracting and appointing new employees to compliment and strengthen the existing team. In addition, staff retention rates are excellent. The company remains committed to invest in training of employees and has achieved success in the implementation of graduate programmes in site management and procurement.

The company's business strategy of operating across a range of sectors has provided a diverse range of projects in Affordable Residential, Care, Commercial, Education, Industrial, Leisure and Private Residential sectors. The company will significantly strengthen its experience in the education sector with the successful delivery of projects at Talbot Heath, Sherborne International and Princes Mead private schools in the 2019 financial year.

The company has benefited with increased activity within the Affordable Residential and Care sectors; areas in which the business has been strong historically. The company is currently completing a number of affordable housing projects and is delivering four care projects for Barchester Healthcare. The business seeks to increase its activities in these sectors through the continued relationships with existing clients and the development of additional opportunities with new affordable housing and care providers.

The company is forecasting a significant increase in turnover for the forthcoming financial year and has a healthy future order book with a high percentage of turnover secured for 2020. High levels of negotiated projects and repeat business from employers and consultants are being maintained as a direct result of our performance and high levels of customer service. The spread of work in different sectors and the expansion of operations within the Hampshire region is adding significantly to our growing company profile and in turn generating interest from new clients.

ACHESON CONSTRUCTION LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 29 DECEMBER 2018

Principal risks and uncertainties

The principle risks and uncertainties that the business faces have been identified and continue to be in the areas highlighted as follows:


Health & Safety – Construction activities have the potential risk to cause injury to employees, contractors, site visitors and the public. The company is committed to minimising these risks through continual review of its Health & Safety Policy, employment of a dedicated in-house Health & Safety Manager, providing ongoing health and safety training of employees and education of contractors working on site. The company has successfully implemented the change from OHSAS 18001 to the new ISO 45001 standard and continues to be externally audited and operates significantly below the HSE publicised national average of recorded accidents or incidents for construction companies.

Employees – The business is reliant on the performance of its employees in the successful execution of its business activities. The Board are acutely aware of the skills shortage within the industry at all levels which is exacerbated when there is growth within the industry. The company strives to create a rewarding environment for all its employees and has excellent staff retention. In addition, staff benefits and competitive remuneration packages continue to attract new employees to the business.

Supply Chain – As the industry goes through a period of growth there is greater competition for limited subcontractor resource. The Board has always recognised the importance of fostering long term relationships with its supply chain. Preferable payment terms, good working conditions and acknowledgement of the importance of subcontractors and suppliers to the company's objectives have ensured the ability to maintain levels of resource to ensure quality of work and completion to programme.

Economic Conditions – Construction is a barometer of the broader economy and is effected by adverse economic conditions and uncertainty. Equally government policy can have an impact on construction activity. The Board continues to develop the company ensuring a spread of work across several industry sectors to provide a degree of flexibility to react to economic change and avoid exposure to declining work in any sector.

Approved by the Board on19.6.19..... and signed on its behalf by:


M A Drysdale
Director

ACHESON CONSTRUCTION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 29 DECEMBER 2018

The directors present their report and the financial statements for the year ended 29 December 2018.

Directors of the company

The directors who held office during the year were as follows:

R D J Acheson

C Johnson

M A Drysdale

S Mason (appointed 2 January 2018)

L E Surcouf

D Willcock

Financial instruments

Objectives and policies

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for, and to finance, the company's operations.

Price risk, credit risk, liquidity risk and cash flow risk

Due to the nature of the financial instruments used by the company, there is no exposure to price risk.

In respect of bank balances the liquidity risk is managed by maintaining a balance to ensure the continuity of funding. The company makes use of money market deposits for excess funds.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due for payment.


Future Developments

The future developments of the business are included within the strategic report.

Disclosure of information to the auditors

Each director has taken 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's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 19.6.19 and signed on its behalf by:


M A Drysdale
Director

ACHESON CONSTRUCTION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and 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; 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ACHESON CONSTRUCTION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACHESON CONSTRUCTION LIMITED

Opinion

We have audited the financial statements of Acheson Construction Limited (the 'company') for the year ended 29 December 2018, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

ACHESON CONSTRUCTION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACHESON CONSTRUCTION LIMITED

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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

ACHESON CONSTRUCTION LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACHESON CONSTRUCTION
LIMITED**

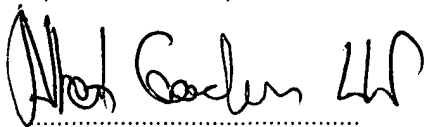
Auditor's responsibilities for the audit of the financial statements

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Doggrell ACA (Senior Statutory Auditor)
For and on behalf of Albert Goodman LLP, Statutory Auditor

Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

Date: 21/06/2014

ACHESON CONSTRUCTION LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 29 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	3	23,503,257	21,836,199
Cost of sales		<u>(19,872,852)</u>	<u>(17,697,120)</u>
Gross profit		3,630,405	4,139,079
Administrative expenses		<u>(2,979,034)</u>	<u>(2,554,649)</u>
Operating profit	4	651,371	1,584,430
Other interest receivable and similar income	5	23,610	11,363
Interest payable and similar charges	6	<u>(1,684)</u>	<u>(533)</u>
Profit before tax		673,297	1,595,260
Taxation	10	<u>(125,459)</u>	<u>(291,743)</u>
Profit for the financial year		<u>547,838</u>	<u>1,303,517</u>

The above results were derived from continuing operations.

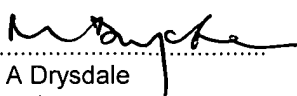
ACHESON CONSTRUCTION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 DECEMBER 2018

	2018 £	2017 £
Profit for the year	<u>547,838</u>	<u>1,303,517</u>
Total comprehensive income for the year	<u><u>547,838</u></u>	<u><u>1,303,517</u></u>

ACHESON CONSTRUCTION LIMITED
(REGISTRATION NUMBER: 02252129)
BALANCE SHEET AS AT 29 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	261,029	319,955
Current assets			
Stocks	12	1,263,440	1,323,022
Debtors	13	3,895,873	4,241,099
Cash at bank and in hand		<u>3,279,225</u>	<u>3,332,361</u>
		8,438,538	8,896,482
Creditors: Amounts falling due within one year	15	<u>(6,586,612)</u>	<u>(7,140,408)</u>
Net current assets		<u>1,851,926</u>	<u>1,756,074</u>
Total assets less current liabilities		2,112,955	2,076,029
Provisions for liabilities	16	<u>(39,098)</u>	<u>(50,010)</u>
Net assets		<u><u>2,073,857</u></u>	<u><u>2,026,019</u></u>
Capital and reserves			
Called up share capital	18	18,000	18,000
Profit and loss reserve		<u>2,055,857</u>	<u>2,008,019</u>
Total equity		<u><u>2,073,857</u></u>	<u><u>2,026,019</u></u>

Approved and authorised by the Board on 19.6.19 and signed on its behalf by:


M A Drysdale
Director

ACHESON CONSTRUCTION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 DECEMBER 2018

	Ordinary share capital £	Profit and loss reserve £	Total £
At 30 December 2017	18,000	2,008,019	2,026,019
Movement in year:			
Profit for the year	-	547,838	547,838
Total comprehensive income	-	547,838	547,838
Dividends	-	(500,000)	(500,000)
Total movement for the year	-	47,838	47,838
At 29 December 2018	18,000	2,055,857	2,073,857
	Ordinary share capital £	Profit and loss reserve £	Total £
At 30 December 2016	18,000	1,668,219	1,686,219
Movement in year:			
Profit for the year	-	1,303,517	1,303,517
Total comprehensive income	-	1,303,517	1,303,517
Dividends	-	(963,717)	(963,717)
Total movement for the year	-	339,800	339,800
At 29 December 2017	18,000	2,008,019	2,026,019

ACHESON CONSTRUCTION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 DECEMBER 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Profit for the year		547,838	1,303,517
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	74,144	96,756
Loss on disposal of tangible assets		2,180	830
Finance income	5	(23,610)	(11,363)
Finance costs	6	1,684	533
Income tax expense	10	125,459	291,743
		<u>727,695</u>	<u>1,682,016</u>
Working capital adjustments			
Decrease/(increase) in stocks	12	59,582	(480,865)
Decrease/(increase) in trade and other debtors	13	385,828	(1,438,326)
(Decrease)/increase in trade and other creditors	15	<u>(297,168)</u>	<u>69,285</u>
Cash generated from operations		875,937	(167,890)
Income taxes paid	10	<u>(392,999)</u>	<u>(324,631)</u>
Net cash flow from operating activities		<u>482,938</u>	<u>(492,521)</u>
Cash flows from investing activities			
Interest received	5	23,610	11,363
Acquisitions of tangible assets		(17,398)	(80,628)
Proceeds from sale of tangible assets		<u>-</u>	<u>27,292</u>
Net cash flows from investing activities		<u>6,212</u>	<u>(41,973)</u>
Cash flows from financing activities			
Interest paid	6	(1,684)	(533)
Proceeds from other borrowing draw downs		(40,602)	-
Repayment of other borrowing		-	363,717
Payments to finance lease creditors		-	(1,356)
Dividends paid	20	<u>(500,000)</u>	<u>(963,717)</u>
Net cash flows from financing activities		<u>(542,286)</u>	<u>(601,889)</u>
Net decrease in cash and cash equivalents		(53,136)	(1,136,383)
Cash and cash equivalents at 30 December 2017		<u>3,332,361</u>	<u>4,468,744</u>
Cash and cash equivalents at 29 December 2018	14	<u>3,279,225</u>	<u>3,332,361</u>

ACHESON CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Unit 2a
Railway Triangle Industrial Estate
Dorchester
Dorset
DT1 2PJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements are presented in Sterling (£) and have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet and the amounts reported for revenue and expenses during the year. However the nature of estimation means the actual outcomes could differ from those involving estimates. The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

- Amounts recoverable on contracts are recognised by reference to the proportion of work carried out and the profit included is calculated on a prudent basis which involves management judgement.

Turnover recognition

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Turnover from long term contracts is recognised by stage of completion. Stage of completion is measured by reference to value of the work completed as a percentage of the contract value. Where the contract outcome cannot be measured reliably, turnover is measured only to the extent of the expenses recognised that are recoverable. Full provision is made for losses on all contracts in the year in which they are first foreseen.

ACHESON CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current 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 operates and generates taxable income.

Deferred tax is recognised on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Deferred tax liabilities are presented within provisions for liabilities on the balance sheet.

Tangible assets

Tangible assets are stated at cost, less accumulated depreciation and accumulated impairment losses. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	10% straight line
Plant & machinery	15% reducing balance
Motor vehicles	25% reducing balance
Office equipment	20-50% reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

ACHESON CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Other debtors and loans receivable are initially recognised at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method less any provision for impairment.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities, including loans, are measured individually at fair value net of transaction costs and subsequently at amortised cost using the effective interest method.

Reserves

Called up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period profits and losses.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

ACHESON CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018

Defined contribution pension obligation

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2018 £	2017 £
Contracting services	23,489,274	21,828,251
Grants received	13,983	7,948
	<u>23,503,257</u>	<u>21,836,199</u>

4 Operating profit

Arrived at after charging/(crediting):

	2018 £	2017 £
Depreciation expense	74,144	96,756
Loss on disposal of property, plant and equipment	<u>2,180</u>	<u>830</u>

5 Other interest receivable and similar income

	2018 £	2017 £
Interest income on bank deposits	<u>23,610</u>	<u>11,363</u>

6 Interest payable and similar expenses

	2018 £	2017 £
Interest on obligations under finance leases and hire purchase contracts	-	109
Interest expense on other finance liabilities	<u>1,684</u>	<u>424</u>
	<u>1,684</u>	<u>533</u>

ACHESON CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018	2017
	£	£
Wages and salaries	3,015,168	2,860,779
Social security costs	336,818	291,886
Pension costs, defined contribution scheme	122,165	131,740
Other employee expense	40,556	37,322
	<u>3,514,707</u>	<u>3,321,727</u>

The average number of persons employed by the company (including directors) during the year analysed by category was as follows:

	2018	2017
	No.	No.
Production	22	22
Administration and support	38	33
	<u>60</u>	<u>55</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018	2017
	£	£
Remuneration	351,484	236,871
Contributions paid to money purchase schemes	61,518	86,519
	<u>413,002</u>	<u>323,390</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2018	2017
	No.	No.
Accruing benefits under money purchase pension scheme	<u>4</u>	<u>4</u>

In respect of the highest paid director:

	2018	2017
	£	£
Remuneration	133,155	139,377
Company contributions to money purchase pension schemes	<u>2,882</u>	<u>39,208</u>

ACHESON CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018

9 Auditors' remuneration

	2018	2017
	£	£
Audit of the financial statements	<u>9,000</u>	<u>9,000</u>

10 Taxation

Tax charged/(credited) in the profit and loss account:

	2018	2017
	£	£
Current taxation		
UK corporation tax	136,371	291,751
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(10,912)</u>	<u>(8)</u>
Tax expense in the profit and loss account	<u>125,459</u>	<u>291,743</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2017 - the same as the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018	2017
	£	£
Profit before tax	<u>673,297</u>	<u>1,595,260</u>
Corporation tax at standard rate	127,926	307,088
Effect of expense not deductible in determining taxable profit (tax loss)	1,345	1,815
UK deferred tax credit relating to changes in tax rates or laws	-	(1,868)
Tax (decrease)/increase from other short-term timing differences	(646)	31
Tax decrease arising from group relief	<u>(3,166)</u>	<u>(15,323)</u>
Total tax charge	<u>125,459</u>	<u>291,743</u>

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11 Tangible assets

	Leasehold improvements £	Office equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 30 December 2017	51,206	202,037	82,367	237,688	573,298
Additions	-	13,048	-	4,350	17,398
Disposals	-	(13,718)	-	-	(13,718)
At 29 December 2018	51,206	201,367	82,367	242,038	576,978
Depreciation					
At 30 December 2017	14,048	133,547	30,659	75,089	253,343
Charge for the year	5,121	31,431	12,931	24,661	74,144
Eliminated on disposal	-	(11,538)	-	-	(11,538)
At 29 December 2018	19,169	153,440	43,590	99,750	315,949
Carrying amount					
At 29 December 2018	32,037	47,927	38,777	142,288	261,029
At 29 December 2017	37,158	68,490	51,708	162,599	319,955

Included within the net book value of land and buildings above is £32,037 (2017 - £37,158) in respect of short leasehold land and buildings.

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12 Stocks

	2018 £	2017 £
Work in progress	<u>1,263,440</u>	<u>1,323,022</u>

13 Debtors

	2018 £	2017 £
Trade debtors	1,265,510	1,351,265
Amounts owed by group undertakings	40,602	-
Other debtors	58,007	103,915
Prepayments	231,616	153,687
Accrued income	1,060,044	1,597,399
Gross amount due from customers for contract work	<u>1,240,094</u>	<u>1,034,833</u>
	3,895,873	4,241,099
Less non-current portion	<u>(321,310)</u>	<u>(554,564)</u>
Total current trade and other debtors	<u>3,574,563</u>	<u>3,686,535</u>

Details of non-current trade and other debtors

£321,310 (2017 -£554,564) of gross amounts due from customers for contract work is classified as non current. This relates to retentions due in more than one year.

14 Cash and cash equivalents

	2018 £	2017 £
Cash on hand	77	77
Cash at bank	2,800,002	2,942,766
Short-term deposits	<u>479,146</u>	<u>389,518</u>
	<u>3,279,225</u>	<u>3,332,361</u>

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15 Creditors

	Note	2018 £	2017 £
Due within one year			
Trade creditors		3,909,883	4,406,867
Social security and other taxes		121,941	90,070
Outstanding defined contribution pension costs		15,065	43,442
Accrued expenses		2,504,600	2,308,278
Corporation tax	10	35,123	291,751
		<u>6,586,612</u>	<u>7,140,408</u>

16 Deferred tax and other provisions

	Deferred tax £	Total £
At 30 December 2017	50,010	50,010
Increase (decrease) in existing provisions	<u>(10,912)</u>	<u>(10,912)</u>
At 29 December 2018	<u>39,098</u>	<u>39,098</u>

Deferred tax

Deferred tax assets and liabilities:

2018	Asset £	Liability £
Accelerated capital allowances	-	40,691
Accrued liabilities	<u>1,593</u>	<u>-</u>
	<u>1,593</u>	<u>40,691</u>

2017	Asset £	Liability £
Accelerated capital allowances	-	51,013
Accrued liabilities	<u>1,003</u>	<u>-</u>
	<u>1,003</u>	<u>51,013</u>

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17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £122,165 (2017 - £131,740).

Contributions totalling £15,065 (2017 - £43,442) were payable to the scheme at the end of the year and are included in creditors.

18 Share capital

Allotted, called up and fully paid shares

	No.	2018 £	No.	2017 £
Ordinary shares of £1 each	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	49,812	52,328
Later than one year and not later than five years	<u>152,323</u>	<u>62,135</u>
	<u>202,135</u>	<u>114,463</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £58,762 (2017 - £57,662).

20 Dividends

	2018 £	2017 £
Interim dividends paid during the year	<u>500,000</u>	<u>963,717</u>

ACHESON CONSTRUCTION LIMITED
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21 Related party transactions

Key management personnel

Directors of the company

Summary of transactions with key management

The only key management personnel are the directors. The aggregate compensation paid to them is the amount in note 8, Directors' Remuneration.

22 Relationship between entity and parents

The parent of the smallest group in which these financial statements are consolidated is LMR Holdings Limited, incorporated in England.

The address of LMR Holdings Limited is:

2a Railway Triangle Industrial Estate, Dorchester, Dorset, England, DT1 2PJ.

These financial statements are available on request from Companies House, Crown Way, Cardiff.