

REGISTERED NUMBER: 09518283 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2018
for
EFT Construction Limited



Haines Watts
Statutory Auditor
3rd Floor Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ

EFT Construction Limited

Contents of the Financial Statements
for the Year Ended 31 December 2018

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	4
Income Statement	7
Balance Sheet	8
Notes to the Financial Statements	9
Trading and Profit and Loss Account	12

EFT Construction Limited

Company Information
for the Year Ended 31 December 2018

DIRECTORS:

A Watts
S Meechan

REGISTERED OFFICE:

Cobden House
39a Cobden Road
Southport
Merseyside
PR9 7TR

REGISTERED NUMBER:

09518283 (England and Wales)

AUDITORS:

Haines Watts
Statutory Auditor
3rd Floor Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ

EFT Construction Limited

Strategic Report
for the Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

REVIEW OF BUSINESS

After becoming an established business in the Industry, EFT Construction has built on its foundations of value and customer service to secure several medium-term contract awards across the public sector. This brings further financial stability in the form of recurring Revenue streams and underpins the credibility of the business in the Construction Sector.

The client base continues to increase, and exceptional work delivery has been rewarded through direct awards from existing customers as well as through new framework procurement offerings.

EFT Construction has focused on Education, Health Care as well as bespoke project delivery. Looking forward to the future, the business is now mature in terms of values driven, experienced skilled personnel to deliver the next stage of the business growth strategy. Relationships with clients are now well established and as such, EFT Construction are well positioned in the market to embark on the next stage of service diversification into Reactive Building Maintenance.

PRINCIPAL RISKS AND UNCERTAINTIES

Competition and more specifically competitive pricing in the Market is a significant risk to the business. EFT Construction retain a relatively small employee base and service work through subcontractor use. This allows an agile approach to pricing regardless of contract size and reduces risks of overtrading as the Indirect Costs and Overheads of the business are well controlled.

FUTURE DEVELOPMENTS

Key to future growth is the continuous development of Supply Chain. EFT Construction has a past track record of adding value to project delivery and has expanded its service portfolio in line with the strategic objective of Building, Maintaining and Protecting our client's assets.

ON BEHALF OF THE BOARD:



.....
A Watts - Director

Date: 25.09.19.....

EFT Construction Limited

Report of the Directors
for the Year Ended 31 December 2018

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

A Watts
S Meechan

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

ON BEHALF OF THE BOARD:



.....
A Watts - Director

Date: 25.09.19.....

Report of the Independent Auditors to the Members of
EFT Construction Limited

Opinion

We have audited the financial statements of EFT Construction Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Balance Sheet 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 31 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 Auditors' 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
EFT Construction Limited

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you it, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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 a Report of the Auditors 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 Report of the Auditors.

Report of the Independent Auditors to the Members of
EFT Construction Limited

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 a Report of the Auditors 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.



Mr Francis Murphy (Senior Statutory Auditor)
for and on behalf of Haines Watts
Statutory Auditor
3rd Floor Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ

25/9/19
Date:

EFT Construction Limited

Income Statement

for the Year Ended 31 December 2018

	Notes	31.12.18 £	31.12.17 £
TURNOVER		2,461,656	3,467,306
Cost of sales		<u>2,091,041</u>	<u>3,116,779</u>
GROSS PROFIT		370,615	350,527
Administrative expenses		<u>339,824</u>	<u>377,730</u>
OPERATING PROFIT/(LOSS)	4	30,791	(27,203)
Interest receivable and similar income		<u>-</u>	<u>96</u>
PROFIT/(LOSS) BEFORE TAXATION		30,791	(27,107)
Tax on profit/(loss)		<u>6,126</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>24,665</u>	<u>(27,107)</u>

The notes form part of these financial statements

EFT Construction Limited (Registered number: 09518283)

Balance Sheet
31 December 2018

	Notes	31.12.18 £	£	31.12.17 £	£
FIXED ASSETS					
Tangible assets	5		6,611		5,451
CURRENT ASSETS					
Stocks		156,005		169,499	
Debtors	6	537,469		493,373	
Cash at bank		15,836		164,473	
		709,310		827,345	
CREDITORS					
Amounts falling due within one year	7	704,415		774,015	
NET CURRENT ASSETS			4,895		53,330
TOTAL ASSETS LESS CURRENT LIABILITIES			11,506		58,781
CAPITAL AND RESERVES					
Called up share capital			1,002		1,002
Retained earnings			10,504		57,779
SHAREHOLDERS' FUNDS			11,506		58,781

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

The financial statements were approved by the Board of Directors on 25.09.19 and were signed on its behalf by:



.....
A Watts - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2018

EFT Construction Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the entity.

Items over a value of £500 are capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery etc - 15% reducing balance

Work in progress is valued at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

EFT Construction Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

2. **ACCOUNTING POLICIES - continued**

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Basic financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and loans to related parties. Trade and other debtors are measured at transaction price less any impairment. Trade and other creditors are measured at 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.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 18 (2017 - 16).

4. **OPERATING PROFIT/(LOSS)**

The operating profit (2017 - operating loss) is stated after charging:

	31.12.18	31.12.17
	£	£
Depreciation - owned assets	970	390

5. **TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 January 2018	1,980	3,861	5,841
Additions	1,270	860	2,130
At 31 December 2018	3,250	4,721	7,971
DEPRECIATION			
At 1 January 2018	196	194	390
Charge for year	402	568	970
At 31 December 2018	598	762	1,360
NET BOOK VALUE			
At 31 December 2018	2,652	3,959	6,611
At 31 December 2017	1,784	3,667	5,451

EFT Construction Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.18	31.12.17
	£	£
Trade debtors	444,448	339,787
Amounts owed by group undertakings	9,520	9,804
Other debtors	83,501	143,782
	<u>537,469</u>	<u>493,373</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.18	31.12.17
	£	£
Trade creditors	456,279	700,143
Taxation and social security	46,835	14,753
Other creditors	201,301	59,119
	<u>704,415</u>	<u>774,015</u>

8. **RELATED PARTY DISCLOSURES**

At the year ended 31 December 2018 the following amounts were outstanding:

An intercompany balance of £9,520 (2017: £9,804) is due from EFT Systems Limited.

During the year, the companies also traded with each other. EFT Systems subcontracted works to EFT Construction to the value of £540,295 net of VAT (2017: £1,746,256). At the year end the net trade balance owing to EFT Construction Limited is £10,520 (2017: £295,578).

EFT Construction Limited being a common subsidiary of the parent company, EFT Group Limited.

During the comparative year, EFT Construction Limited traded with EFT Electrical Installations Limited. EFT Construction subcontracted works to EFT Electrical Installations to the value of £96,471 net of VAT. At the year end the net trade balance owing to EFT Electrical Installations Limited is £115,766. The balance of this is still remaining at the year end.

EFT Electrical Installations Limited being a company also controlled by EFT Group Limited.

The following dividends were paid to the directors during the financial years under review.

	2018	2017
Mr S Meechan	£51,940	£31,940
Mr A Watts	£20,000	£nil

9. **ULTIMATE CONTROLLING PARTY**

The Company's parent company is EFT Group Limited, registered in England and Wales, with consolidated financial statements being obtained from Cobden House, 39a Cobden Road, Southport, PR9 7TR. The ultimate controlling party is Mrs H Ingham by virtue of her majority shareholding.