

Financial statements

Pochin Construction Limited

For the year ended 31 May 2012

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COMPANIES HOUSE

Company No 396388

Company information

Company number	396388
Registered office	Brooks Lane Middlewich Cheshire CW10 0JQ
Directors	J C Pochin A M J Pochin R M Hatton J C Alexander J Edwards J G Moss D W Thomas
Company secretary	D J Hedley
Bankers	The Royal Bank of Scotland plc 5-10 Great Tower Street London EC3R 5DJ
Solicitors	Weightmans LLP Pall Mall Court 61 - 67 King Street Manchester M2 4PD
Auditor	Grant Thornton UK LLP Statutory Auditor Chartered Accountants Royal Liver Building Liverpool L3 1PS

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Report of the directors

The directors present their report together with the audited financial statements for the year ended 31 May 2012

Principal activity and business review

The company is principally engaged in building and civil engineering contracting, and operates within the United Kingdom

The company started the year slowly, but as previously secured contracts finally commenced, turnover increased throughout the year to £68,390,274 (2011 £42,575,045) The profit before taxation generated of £185,745 (2011 £80,036 loss) although modest, is considered a success in these difficult conditions It is through the use of tried and tested suppliers and active risk management that the company has delivered this positive result However, the business is aware that the supply chain has been under strain and there have been a number of significant subcontractor failures

During the year, revenues continued to shift towards the private sector (84%) as public sector spending reduced in all areas other than major infrastructure Maintaining good client relationships and effective key account management, supported by delivery of quality projects on time and to budget, has allowed the company to increase revenue in a shrinking market

The company strategy to maintain a presence in all sectors has stood the business in good stead A balanced portfolio has been maintained that will provide a good platform for growth, whichever sectors recover soonest

As a result of the controlled expansion outside the North West, the business secured a £27m student accommodation project in Edinburgh, a £12m scheme in Hyde Park, London and smaller contracts in Leeds and Nottingham Several more opportunities in both Scotland and the South East can now be delivered using existing teams

Revenue from the special projects team has continued to grow, reaching £3.9m for the year (2011 £3.5m) Whilst small in terms of overall revenue, it enables the company to offer a range of services to clients large and small

The company's continued aim is to deliver exceptional projects for its clients that reflect the company's core values Despite the economic pressures, a high performing team has been maintained across all disciplines and this has been recognised in its achievements, which include

- a RoSPA Gold Award for Safety,
- completion of two contracts to "exceptional" BREEAM standards,
- completion of six contracts to "very good" BREEAM standards,
- placed in the top 10% considerate contractors in the country, and
- a Blackpool Civic Trust Community Award

Results and dividends

There was a profit for the year after taxation amounting to £123,479 (2011 loss £132,006)

The directors consider the company's key performance indicators to be turnover, gross profit, cash flow, secured work and customer satisfaction ratings as discussed above

Report of the directors

Directors

The membership of the board during the year is set out below

J C Pochin
A M J Pochin
R M Hatton
J C Alexander
J Edwards
J G Moss
D W Thomas (appointed 29 March 2012)

All directors served throughout the year unless otherwise indicated

Financial risk management objectives and policies

The company uses various financial instruments, these include cash and various items such as trade debtors and trade creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company's financial instruments are liquidity risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

Credit risk

The company's principal financial asset is trade debtors. In order to manage the credit risk, credit checks are carried out on a regular basis to assess credit worthiness in conjunction with debt ageing and collection history.

Report of the directors

Statement of directors' responsibilities

The directors are responsible for preparing 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 laws). 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 company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditor are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor are aware of that information

Report of the directors

Employee involvement

Information about the company and factors affecting its performance is provided to employees through the house magazine, Pochin People and via Pochinet, the company's corporate internet

In addition, there are arrangements for consulting and involving employees on matters affecting their interests at work, and informing them of the performance of the company. A variety of approaches is adopted aimed at encouraging the involvement of employees in effective communication and consultation, and the contribution of productive ideas at all levels.

The establishment and maintenance of safe working practices are of the greatest importance to the company and special training in health and safety is provided for employees.

Disabled employees


Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Auditors

Grant Thornton UK LLP are deemed to be re-appointed in accordance with section 487(2) of the Companies Act 2006.

BY ORDER OF THE BOARD



D J Hedley
Secretary

Date 30 January 2013



Independent auditor's report to the members of Pochin Construction Limited

We have audited the financial statements of Pochin Construction Limited for the year ended 31 May 2012 which comprise the principal accounting policies, the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on pages 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2012 and of the company'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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Pochin Construction Limited (continued)

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

Grant Thornton UK LLP

Kevin Engel
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool

Date 12 February 2013

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards, (United Kingdom Generally Accepted Accounting Practice)

The principal accounting policies of the company have remained unchanged from the previous year and are set out below. The policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Going concern

The financial statements have been prepared on a group going concern basis. The continuation of the company's activities is dependent upon the continuing support of its ultimate parent company, Pochin's PLC. Pochin's PLC has provided a composite cross guarantee in favour of The Royal Bank of Scotland plc (RBS) in respect of the Pochin's PLC group overdrafts and bank loans.

Pochin's PLC have taken steps during the year to settle the group exposure to all significant parent company guarantee arrangements with joint venture parties. Since the year end and following the disposal of Pochin Concrete Pumping Limited, the group has successfully renegotiated its borrowing facilities with RBS to October 2014.

As part of the refinancing process, Pochin's PLC prepared a business plan together with forecasts to May 2015. These forecasts take account of reasonable possible changes in performance and show that the group should be able to operate within the level of its revised facilities.

The directors have received assurance that the parent company will continue to support the company for the foreseeable future. On this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.

Consolidation

The company is exempt from preparing consolidated financial statements under Section 400 of the Companies Act 2006. The results of this company are included in the consolidated accounts of Pochin's PLC, a company registered in England and Wales.

These financial statements present information about the company as an individual undertaking, and not about its group.

Related party transactions

Advantage has been taken of the exemption in FRS 8 in respect of the disclosure of transactions and balances with other wholly owned group companies.

Principal accounting policies

Cash flow statement

The company is exempt from the requirement of FRS 1 to prepare a cash flow statement as it is a wholly-owned subsidiary undertaking of Pochin's PLC, and its cash flows are included within the consolidated cash flow statement of that company

Turnover

Turnover, which excludes value added tax, comprises the total estimated value of construction work executed during the year

Contract turnover reflects the contract activity during the year and is measured based on the consideration receivable. When the outcome can be reliably assessed, contract turnover and associated costs are recognised as turnover and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion of the contract at the balance sheet date is assessed by reference to work done, measured by qualified quantity surveyors

Long-term contracts

In accordance with SSAP 9, turnover on long-term contracts is recognised according to the stage reached in the contract by reference to work done. A prudent estimate of the profit attributable to work completed is recognised once the outcome can be assessed with reasonable certainty

Where the outcome of a long-term contract cannot be estimated reliably, turnover is recognised only to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred

In the case of a fixed price contract, the outcome of a construction contract is deemed to be estimated reliably when all of the following conditions are satisfied

- total contract revenue can be measured reliably,
- it is probable that economic benefits associated with the contract will flow to the company,
- both the contract costs to complete the contract and the stage of completion at the balance sheet date can be measured reliably, and
- the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates

In the case of a cost plus contract, the outcome of a construction contract can be estimated reliably when it is probable that the economic benefits associated with the contract will flow to the company, and the contract costs attributable to the contract, whether or not specifically reimbursable, can be clearly identified and measured reliably

Amounts recoverable on contracts, being the excess of sales value of work executed over payments received on account, are included in debtors. The cost of long-term contracts not yet taken to the profit and loss account less foreseeable losses and payments on account are shown in stocks as long-term contract balances. Excess payments received are included in creditors

Full provision is made for all foreseeable losses on contracts in the year in which the loss is first foreseen

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition

Principal accounting policies

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value of tangible fixed assets, in equal annual instalments over their estimated useful lives. The periods generally applicable are:

Computer and office equipment	- 3 - 5 years straight line
Plant and machinery	- 3 - 8 years straight line

Taxation

The current tax charge is based on the profit or loss for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date. Current and deferred tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Investments

All investments are recorded at cost less any provision for impairment.

Leased assets

Leases where substantially all of the risks and rewards of ownership are not transferred to the company are treated as operating leases. Rentals under operating leases are charged against profits on a straight-line basis over the period of the lease.

Hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the assets have passed to the company's and hire purchase contracts being capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable are charged in the profit and loss account on a straight line basis over the lease term.

Principal accounting policies

Contributions to pension fund

Defined benefit scheme

The company participates in a defined benefit scheme but is unable to identify its share of the underlying assets and liabilities. The pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting period. Further information on the deficit in the scheme is given in note 4.

Defined contribution scheme

The company participates in a defined contribution scheme whereby contributions payable are charged to the profit and loss account in the period in which they become payable. The assets of the defined contribution scheme are held separately from those of the company.

Financial instruments

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

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

Profit and loss account

	Note	2012 £	2011 £
Turnover	1	68,390,274	42,575,045
Cost of sales		<u>(65,101,929)</u>	<u>(39,550,117)</u>
Gross profit		3,288,345	3,024,928
Other income		430,996	621,341
Operating expenses	2	<u>(3,533,596)</u>	<u>(3,726,305)</u>
Profit/(loss) on ordinary activities before taxation	1	185,745	(80,036)
Tax on profit/(loss) on ordinary activities	5	(62,266)	(51,970)
Profit/(loss) for the financial year	15	<u>123,479</u>	<u>(132,006)</u>

There are no other recognised gains or losses other than those included above

All of the company's principal activities are classed as continuing

Balance sheet

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	6	223,337	174,938
Investments	7	40,002	40,002
		<u>263,339</u>	<u>214,940</u>
Current assets			
Stocks	8	3,747,988	1,870,306
Debtors due within one year	9	20,980,549	16,961,041
Debtors due after more than one year	9	1,252,688	1,612,000
Cash in hand		-	814,266
		<u>25,981,225</u>	<u>21,257,613</u>
Creditors: amounts falling due within one year	11	<u>(19,215,413)</u>	<u>(14,622,283)</u>
Net current assets		<u>6,765,812</u>	<u>6,635,330</u>
Total assets less current liabilities		<u>7,029,151</u>	<u>6,850,270</u>
Creditors: amounts falling due after more than one year	12	(55,402)	-
Net assets		<u>6,973,749</u>	<u>6,850,270</u>
Capital and reserves			
Called up share capital	14	1,553,500	1,553,500
Share premium account	15	80,425	80,425
Other non-distributable reserves	15	20,000	20,000
Profit and loss account	15	5,319,824	5,196,345
Shareholders' funds	16	<u>6,973,749</u>	<u>6,850,270</u>

The financial statements were approved and authorised for issue by the Board of Directors and signed on its behalf by

J C Pochin
Director



Date 30 January 2013

The accompanying accounting policies and notes form an integral part of these accounts

Notes to the financial statements

1 Turnover and profit/(loss) on ordinary activities before taxation

Turnover and profit/(loss) before taxation are attributable to the one principal activity of the company which is carried out in a single geographic market.

The profit/(loss) on ordinary activities is stated after charging

	2012 £	2011 £
Auditors' remuneration		
- Audit services	23,600	23,000
- Non audit services - taxation	3,600	3,500
Operating lease		
- Plant and machinery	107,164	183,429
Depreciation		
- Owned assets	54,837	67,238
- Assets on hire purchase	1,721	-

2 Operating expenses

	2012 £	2011 £
Distribution costs	125,042	177,845
Administration expenses	3,408,554	3,548,460
	<u>3,533,596</u>	<u>3,726,305</u>

3 Directors and employees

Staff costs during the year were as follows

	2012 £	2011 £
Wages and salaries	5,189,974	5,004,336
Social security costs	540,385	507,182
Other pension costs (see note 4)	345,938	349,697
	<u>6,076,297</u>	<u>5,861,215</u>

The average number of persons employed by the company during the year was

	2012 Number	2011 Number
Operatives	113	110
Administration	18	23
	<u>131</u>	<u>133</u>

Notes to the financial statements

3 Directors and employees (continued)

Remuneration in respect of directors was as follows

	2012	2011
	£	£
Emoluments	390,497	375,038
Value of company contributions to personal pension	51,008	41,245
Aggregate emoluments	<u>441,505</u>	<u>416,283</u>

During the year three directors (2011 three directors) participated in a defined benefit pension scheme. Following the closure to future accrual of the defined benefit pension scheme all three directors transferred to personal pension plans.

The amounts set out above include remuneration in respect of the highest paid director as follows

	2012	2011
	£	£
Aggregate emoluments	121,131	117,878
Value of company contributions to personal pension	10,200	9,875
	<u>131,331</u>	<u>127,753</u>

The highest paid director's accrued pension at the year end was £35,000 (2011 £34,000) and the highest paid director's accrued lump sum was £360,000 (2011 £277,000).

4 Pension costs

The company participates in a defined benefit scheme and a defined contribution scheme operated on a group basis.

The defined contribution scheme was established on 1 July 2002 and is available to new members from that date. During the year contributions of £260,489 (2011 £239,892) were made to the scheme. There were no prepaid or outstanding contributions at 31 May 2012 or 31 May 2011.

The defined benefit scheme was closed to new members on 31 December 2001 and closed to future accruals on 31 December 2009. The assets of the plan are held separately from those of the company, being invested in an exempt unit fund through an investment manager. Contributions to the plan are determined by an independent qualified actuary and are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group as a whole. Details of the latest actuarial valuation of the plan as at 30 June 2011, which have been adjusted and updated on an approximate basis to 31 May 2012, are disclosed in the financial statements of Pochin's PLC.

There is a multi-employer defined benefit scheme that is being accounted for as a defined contribution scheme in the company accounts. The company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Details of the scheme and deficit are included within the accounts of Pochin's PLC.

The pension charge for the defined benefit scheme for the year was £85,449 (2011 £109,805).

Notes to the financial statements

5 Tax on profit/(loss) on ordinary activities

(a) Analysis of charge in the year

	2012 £	2011 £
Current taxation		
UK Corporation tax payable at 26% (2011 28%)	62,266	-
Adjustments in respect of prior years	-	(5,030)
Total current tax	<u>62,266</u>	<u>(5,030)</u>
Deferred tax		
Charge in the year	-	57,000
	<u>62,266</u>	<u>51,970</u>

b) Factors affecting the tax charge in the year

The tax assessed for the year is higher (2011 higher) than the standard rate of corporation tax in the UK of 26% (2011 28%)

The differences are explained below

	2012 £	2011 £
Profit/(loss) on ordinary activities before taxation	<u>185,745</u>	<u>(80,036)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of Corporation tax in the UK of 26% (2011 28%)	48,294	(22,410)
Effects of		
Expenses not deductible for tax purposes	9,152	11,480
Capital allowances for the year in excess of depreciation	4,820	4,177
Adjustment to tax charge in respect of prior year	-	(5,030)
Unutilised tax losses	-	6,753
Current tax charge/(credit) for the year	<u>62,266</u>	<u>(5,030)</u>

Notes to the financial statements

6 Tangible fixed assets

	Computer and office equipment £	Plant and machinery £	Total £
Cost			
At 1 June 2011	1,215,623	1,889,690	3,105,313
Additions	6,355	98,602	104,957
At 31 May 2012	<u>1,221,978</u>	<u>1,988,292</u>	<u>3,210,270</u>
Depreciation			
At 1 June 2011	1,057,975	1,872,400	2,930,375
Provided in the year	54,577	1,981	56,558
At 31 May 2012	<u>1,112,552</u>	<u>1,874,381</u>	<u>2,986,933</u>
Net book amount at 31 May 2012	<u>109,426</u>	<u>113,911</u>	<u>223,337</u>
Net book amount at 31 May 2011	<u>157,648</u>	<u>17,290</u>	<u>174,938</u>

Included within plant and machinery are assets held under hire purchase contracts with a net book value of £96,881 (2011 £Nil). Depreciation charges on those assets during the year amounted to £1,721 (2011 £Nil).

7 Fixed assets investments

	£
Shares at cost	
At 31 May 2011 and 31 May 2012	<u>40,002</u>

At 31 May 2012 the company held allotted ordinary share capital of the following subsidiaries that are incorporated in England and Wales

Subsidiary undertakings	Proportion %	Nature of business	Net assets £
Pochin (Wales) Limited	50	Dormant	2
Timber & Plywood Co (Cheshire) Limited	100	Dormant	10,000
William Griffith & Son (Benllech) Limited	100	Dormant	30,000

8 Stocks

	2012 £	2011 £
Long-term contract work in progress	3,733,410	1,870,306
Stocks	<u>14,578</u>	<u>-</u>
	<u>3,747,988</u>	<u>1,870,306</u>

Notes to the financial statements

9 Debtors

	2012 £	2011 £
Amounts due from group undertaking	9,896,802	8,369,022
Amounts recoverable under long-term contracts due within one year	9,601,456	8,087,098
Amounts recoverable under long-term contracts due after more than one year	1,252,688	1,612,000
Other debtors	64,715	195,994
VAT debtor	1,096,977	-
Prepayments and accrued income	311,803	300,131
Deferred tax asset (note 10)	8,796	8,796
	<u>22,233,237</u>	<u>18,573,041</u>

10 Deferred taxation

The deferred tax included in the balance sheet is as follows

	2012 £	2011 £
Included in debtors (note 9)	<u>8,796</u>	<u>8,796</u>

The movement in the deferred taxation account during the year was

	2012 £	2011 £
Balance brought forward	8,796	65,796
Profit and loss movement arising during the year	-	(57,000)
Balance carried forward	<u>8,796</u>	<u>8,796</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2012 £	2011 £
Excess of depreciation over capital allowances	<u>8,796</u>	<u>8,796</u>

Notes to the financial statements

11 Creditors: amounts falling due within one year

	2012 £	2011 £
Bank overdraft	2,024,845	-
Trade creditors	7,836,202	6,811,741
Other taxes	41,175	548,875
Other creditors	206,723	134,930
Amounts due under hire purchase agreements	29,498	-
Accruals and deferred income	9,076,970	7,126,737
	<u>19,215,413</u>	<u>14,622,283</u>

12 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Amounts due under hire purchase agreements	<u>55,402</u>	<u>-</u>

13 Commitments under hire purchase agreements

Future commitments under hire purchase agreements net of future charges are as follows

	2012 £	2011 £
Amounts payable within one year	29,498	-
Amounts payable between one and two years	29,498	-
Amounts payable between three and five years	25,904	-
	<u>84,900</u>	<u>-</u>

Amounts due on hire purchase are secured on the assets to which they relate

Notes to the financial statements

14 Share capital

	2012 £	2011 £
Authorised		
2,500,000 Ordinary shares of £1 each	<u>2,500,000</u>	<u>2,500,000</u>
Allotted, called up and fully paid		
1,553,500 Ordinary shares of £1 each	<u>1,553,500</u>	<u>1,553,500</u>

15 Reserves

	Share Premium Account £	Other non- distributable reserves £	Profit and loss account £
At 1 June 2011	80,425	20,000	5,196,345
Profit for the financial year	-	-	123,479
At 31 May 2012	<u>80,425</u>	<u>20,000</u>	<u>5,319,824</u>

16 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit/(loss) for the financial year	123,479	(132,006)
Opening shareholders' funds	<u>6,850,270</u>	<u>6,982,276</u>
Closing shareholders' funds	<u>6,973,749</u>	<u>6,850,270</u>

There has been no movement on the share premium or other reserves during the year

17 Capital commitments

The company had no capital commitments at 31 May 2012 or 31 May 2011

Notes to the financial statements

18 Contingent liabilities

Across the group there is a composite cross guarantee arrangement in favour of The Royal Bank of Scotland plc in respect of group overdrafts and bank loans. At 31 May 2012 this amounted to £25,651,000 (2011 £21,431,000), which is recognised as debt and positive bank balances in the following companies

Pochins PLC £22,688,000 (2011 £21,299,000)
Pochin Residential Limited £113,000 debit (2011 £1,115,000)
Pochin Concrete Pumping Limited £31,000 (2011 £178,000 debit)
Pochin Developments Limited £1,001,000 (2011 £nil)
Pochin Construction Limited £2,025,000 (2011 £815,000 debit)
Pochin Investments Limited £19,000 (2011 £13,000)
Trinity Court Developments Limited £1,000 (2011 £2,000 debit)

The group overdraft facility is £2,000,000, of which £984,000 (2011 £1,374,000) is drawn and included within the above amounts

19 Operating lease commitments

Annual minimum lease payments due under operating leases to which the company was committed were as follows

	Plant and equipment	
	2012	2011
	£	£
Leases due to expire		
Within one year	68,353	8,913
Within one to two years	189,398	78,217
Within two to five years	193,627	200,190
	<u>451,378</u>	<u>287,320</u>

20 Related party transactions

During the year, the company charged UKLP Developments Limited, a company in which Pochin's PLC holds a 50% interest, £Nil (2011 £1,500) for work undertaken in connection with the construction of an office park at Heald Green near Manchester Airport. Debtors amounts recoverable under long term contracts at 31 May 2012 included a balance due from UKLP Developments Limited of £166,243 (2011 £166,243)

Debtors amounts recoverable under long term contracts as at 31 May 2012 included a balance due from UKLP Walker House Limited, a company in which Pochin's PLC holds a 50% interest, of £267,535 (2011 £267,535) for work undertaken in connection with the refurbishment of Walker House, Exchange Flags, Liverpool

During the year, the company charged Keele Park Developments Limited, a company in which Pochin's PLC holds a 50% interest, £Nil (2011 £106,055) for minor engineering works. Debtors amounts recoverable under long-term contracts, at 31 May 2012 included a balance due from Keele Park Developments Limited of £2,651 (2011 £2,651)

As a wholly-owned subsidiary of Pochin's PLC, the company is exempt from the requirements of FRS 8 to disclose transactions with other wholly owned members of the group headed by Pochin's PLC

There are no other related party transactions requiring disclosure

Notes to the financial statements

21 Ultimate parent undertaking

The directors consider that the ultimate parent undertaking of this company is Pochin's PLC, a company incorporated in England and Wales. Pochin's PLC is also the company's ultimate controlling related party.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Pochin's PLC, which is registered in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House. No other group accounts include the results of this company.