

Company Registration No. 01058143 (England and Wales)

PENFOLD VERRALL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

PENFOLD VERRALL LIMITED

COMPANY INFORMATION

Directors	Mr D J Lynch Mrs C Bowden Mr A Bish
Secretary	Mrs C Bowden
Company number	01058143
Registered office	Amelia House Crescent Road Worthing West Sussex BN11 1QR
Auditor	Carpenter Box Amelia House Crescent Road Worthing West Sussex BN11 1QR
Business address	Thistleworth Farm Cottage Dial Post Horsham West Sussex RH13 8NY

PENFOLD VERRALL LIMITED

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PENFOLD VERRALL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present their annual report and financial statements for the year ended 30 June 2016.

Principal activities

The principal activity of the company continued to be that of haulage, plant hire and construction.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D J Lynch
Mrs C Bowden
Mr A Bish

Auditor

In accordance with the company's articles, a resolution proposing that Carpenter Box be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board

Mrs C Bowden
Secretary
19 December 2016

PENFOLD VERRALL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

The directors are responsible 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

PENFOLD VERRALL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PENFOLD VERRALL LIMITED

We have audited the financial statements of Penfold Verrall Limited for the year ended 30 June 2016 which comprise the Income Statement, the Statement Of Financial Position, the Statement of Changes in Equity 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 30 June 2016 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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 any material misstatements in 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; 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 in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Robert Dowling FCA (Senior Statutory Auditor)

for and on behalf of Carpenter Box

19 December 2016

Chartered Accountants

Statutory Auditor

Worthing

PENFOLD VERRALL LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

		2016	2015
	Notes	£	£
Revenue		8,016,967	8,097,870
Cost of sales		(6,772,494)	(6,246,434)
Gross profit		1,244,473	1,851,436
Administrative expenses		(505,963)	(768,600)
Other operating income		311	1,717
Operating profit	2	738,821	1,084,553
Finance costs		-	(54,286)
Profit before taxation		738,821	1,030,267
Taxation		(198,876)	(51,178)
Profit for the financial year		539,945	979,089

PENFOLD VERRALL LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

		2016		2015 as restated	
	Notes	£	£	£	£
Fixed assets					
Property, plant and equipment	4		250,321		230,075
Current assets					
Inventories		34,809		39,858	
Trade and other receivables	5	2,032,113		2,983,017	
Cash at bank and in hand		704,038		538,812	
		<u>2,770,960</u>		<u>3,561,687</u>	
Current liabilities	6	<u>(1,560,513)</u>		<u>(1,822,246)</u>	
Net current assets			1,210,447		1,739,441
Total assets less current liabilities			<u>1,460,768</u>		<u>1,969,516</u>
Provisions for liabilities			(13,800)		(6,600)
Net assets			<u>1,446,968</u>		<u>1,962,916</u>
Equity					
Called up share capital	8		35		35
Share premium account			325,502		325,502
Capital redemption reserve			91		91
Retained earnings			<u>1,121,340</u>		<u>1,637,288</u>
Total equity			<u>1,446,968</u>		<u>1,962,916</u>

These 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 and authorised for issue on 19 December 2016 and are signed on its behalf by:

Mr D J Lynch
Director

Company Registration No. 01058143

PENFOLD VERRALL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Retained earnings £	Total £
Balance at 1 July 2014		47	325,502	79	1,164,203	1,489,831
Year ended 30 June 2015:						
Profit and total comprehensive income for the year		-	-	-	979,089	979,089
Dividends		-	-	-	(406,500)	(406,500)
Redemption of shares	8	-	-	-	(99,504)	(99,504)
Reduction of shares	8	(12)	-	12	-	-
Balance at 30 June 2015		35	325,502	91	1,637,288	1,962,916
Year ended 30 June 2016:						
Profit and total comprehensive income for the year		-	-	-	539,945	539,945
Dividends		-	-	-	(1,055,893)	(1,055,893)
Balance at 30 June 2016		35	325,502	91	1,121,340	1,446,968

PENFOLD VERRALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

Company information

Penfold Verrall Limited is a private company limited by shares incorporated in England and Wales. The registered office is Amelia House, Crescent Road, Worthing, West Sussex, BN11 1QR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The directors have chosen to early adopt Statutory Instrument 2015/980, The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2016 are the first financial statements of Penfold Verrall Limited prepared in accordance with FRS 102 Section 1A, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 Section 1A was 1 July 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102 Section 1A.

1.2 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business net of VAT and trade discounts.

1.3 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their remaining useful lives on the following bases:

Land freehold	Not depreciated
Leasehold property	10% to 20% Straight line per annum
Plant, machinery, fixtures & fittings	10% to 50% Straight line per annum
Heavy plant and vehicles	20% to 50% Straight line per annum
Motor vehicles	25% Reducing balance per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

PENFOLD VERRALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

1.4 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost 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, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

PENFOLD VERRALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

Financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PENFOLD VERRALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Operating profit

	2016	2015
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	11,450	9,950
	<u> </u>	<u> </u>

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016	2015
	Number	Number
Operatives	43	39
Administration	8	8
	<u> </u>	<u> </u>
	51	47
	<u> </u>	<u> </u>

PENFOLD VERRALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

4	Property, plant and equipment								
		Land freehold	Leasehold property fixtures & fittings	Plant, machinery, heavy plant and vehicles	Motor vehicles	Total			
		£	£	£	£	£			£
Cost									
At 1 July 2015	15,000	218,272	195,308	307,576	72,393	808,549			
Additions	-	-	36,651	-	38,700	75,351			
Disposals	-	-	(4,294)	(13,192)	(14,630)	(32,116)			
At 30 June 2016	15,000	218,272	227,665	294,384	96,463	851,784			
Depreciation and impairment									
At 1 July 2015	-	81,905	167,583	281,983	47,003	578,474			
Depreciation charged in the year	-	25,426	8,921	1,685	16,023	52,055			
Eliminated in respect of disposals	-	-	(4,294)	(12,253)	(12,519)	(29,066)			
At 30 June 2016	-	107,331	172,210	271,415	50,507	601,463			
Carrying amount									
At 30 June 2016	15,000	110,941	55,455	22,969	45,956	250,321			
At 30 June 2015	15,000	136,367	27,725	25,593	25,390	230,075			

PENFOLD VERRALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

5 Trade and other receivables

	2016 £	2015 £
Amounts falling due within one year:		
Trade receivables	1,420,392	1,765,229
Amounts due from group undertakings	374,462	1,090,259
Other receivables	237,259	127,529
	<u>2,032,113</u>	<u>2,983,017</u>

A restatement has been made in the comparative to show an amount of £1,090,259, previously shown as due after more than one year, to be shown as due in less than one year.

6 Current liabilities

	2016 £	2015 £
Trade payables	506,198	956,268
Corporation tax	142,000	233,290
Other taxation and social security	179,439	267,298
Other payables	732,876	365,390
	<u>1,560,513</u>	<u>1,822,246</u>

Included within other payables is £616,445 (2015 - £302,667) paid in advance to the company in respect of items included in trade receivables as part of an invoice finance facility at the balance sheet date. This facility is secured against the assets of the company.

7 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	13,800	6,600
	<u>13,800</u>	<u>6,600</u>

8 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
700 ordinary shares of 5p each	35	35
	<u>35</u>	<u>35</u>

PENFOLD VERRALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

9 Financial commitments, guarantees and contingent liabilities

The company is included in a joint security arrangement whereby all present and future indebtedness and liabilities owing to the bank are secured by a composite unlimited multilateral guarantee and a debenture given by all companies in the Penfold Verrall Holdings Limited group. At the balance sheet date there was no liability due under this arrangement.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases totalling £271,150 (2015: £4,830).

11 Events after the reporting date

Dividends totalling £24,025 (2015: £19,375) have been declared and paid since the balance sheet date.

12 Related party transactions

Transactions with related parties

During the year the company leased commercial premises from G W Verrall & Son, a partnership in which Mr J R Verrall is a partner, for an amount of £29,580 (2015 - £26,580). At the year end the company owed G W Verrall & Son £3,275 (2015 - £3,362).

During the year the company purchased goods and services during the year totalling £nil (2015 - £69,540) from Brinsbury Recycling & Restoration, an entity in which D Lynch has a material interest.

During the year the company recharged costs of £19,592 (2015 - £nil) to Jevington Quarry Limited, an entity that D Lynch has a material interest in by virtue of his shareholding in Lynver Developments Limited. At the year end the company was owed £10,592 (2015 - £nil) from Jevington Quarry Limited.

During the year the company loaned Lynver Developments Limited £100,000 (2015 - £nil), an entity in which D Lynch has a material interest. At the year end the company was owed £191,376 (2015 - £91,376) from Lynver Development Limited.

PENFOLD VERRALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

13 Directors' transactions

At the start of the period Mr D Lynch owed the company £1,776. During the year, Mr D Lynch provided the company with an interest free loan of £60,000 and £15,000 was repaid during the year. At the balance sheet date the company owed Mr D Lynch £43,224.

14 Parent company

The ultimate parent company is Penfold Verrall Holdings Limited, a company registered in England and Wales.

Penfold Verrall Holdings Limited prepares group financial statements and copies can be obtained from Companies House. The registered office of Penfold Verrall Holdings Limited is Amelia House, Crescent Road, Worthing, West Sussex, BN11 1QRL.

The ultimate controlling party is Mr D Lynch by virtue of his majority shareholding in Penfold Verrall Holdings Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.