

Paddington Construction Limited

Financial Statements

Year Ended

30 September 2018

Company Number 01069492



Paddington Construction Limited

Company Information

Directors	C J Byrne M Byrne P J Byrne
Company secretary	M Byrne
Registered number	01069492
Registered office	6 Wharf Studios 28 Wharf Road London N1 7GR
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Paddington Construction Limited

Contents

	Page
Statement of Financial Position	1
Statement of Changes in Equity	2
Notes to the Financial Statements	3 - 10

Paddington Construction Limited

Registered number: 01069492

Statement of Financial Position As at 30 September 2018


	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	5		596,167		397,852
Current assets					
Stocks	6	1,181,105		2,039,573	
Debtors: amounts falling due within one year	7	2,971,216		945,017	
		<u>4,152,321</u>		<u>2,984,590</u>	
Current liabilities					
Creditors: amounts falling due within one year	8	(2,710,343)		(2,133,742)	
Net current assets			<u>1,441,978</u>		<u>850,848</u>
Net assets			<u><u>2,038,145</u></u>		<u><u>1,248,700</u></u>
Capital and reserves					
Called up share capital	9		150,000		150,000
Profit and loss account	10		1,888,145		1,098,700
Total equity			<u><u>2,038,145</u></u>		<u><u>1,248,700</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2018.


P J Byrne
Director

The notes on pages 3 to 10 form part of these financial statements.

Paddington Construction Limited

Statement of Changes in Equity For the Year Ended 30 September 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2017	150,000	1,098,700	1,248,700
Comprehensive income for the year			
Profit for the year	-	789,445	789,445
Total comprehensive income for the year	-	789,445	789,445
At 30 September 2018	150,000	1,888,145	2,038,145

Statement of Changes in Equity For the Year Ended 30 September 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2016	150,000	(3,661,361)	(3,511,361)
Comprehensive income for the year			
Profit for the year	-	1,098,700	1,098,700
Total comprehensive income for the year	-	1,098,700	1,098,700
Contributions by and distributions to owners			
Purchase of own shares	-	3,661,361	3,661,361
Shares issued during the year (see note 9)	3,661,361	-	3,661,361
Shares cancelled during the year	(3,661,361)	-	(3,661,361)
Total transactions with owners	-	3,661,361	3,661,361
At 30 September 2017	150,000	1,098,700	1,248,700

The notes on pages 3 to 10 form part of these financial statements.

Paddington Construction Limited

Notes to the Financial Statements For the Year Ended 30 September 2018

1. General information

Paddington Construction Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Turnover

Turnover represents amounts invoiced primarily to related parties for building services provided, and is recognised once the service has been delivered.

The building services include the design, manufacture and supply of bespoke joinery, stonemasonry and architectural metalwork. All services are invoiced when goods are dispatched.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	15% reducing balance
Motor vehicles	-	20% reducing balance
Fixtures and fittings	-	15% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Paddington Construction Limited

Notes to the Financial Statements For the Year Ended 30 September 2018

2. Accounting policies (continued)

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

2.7 Creditors

Short term creditors are measured at the 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.

2.8 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Paddington Construction Limited

Notes to the Financial Statements For the Year Ended 30 September 2018

2. Accounting policies (continued)

2.9 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Paddington Construction Limited

Notes to the Financial Statements For the Year Ended 30 September 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether a deferred tax asset should be recognised based on the forecast future profitability of the company.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 5)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Employees

The average monthly number of employees, including directors, during the year was 38 (2017 - 43).

During the year, no director received any emoluments (2017 - £Nil).

Paddington Construction Limited

Notes to the Financial Statements For the Year Ended 30 September 2018

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 October 2017	768,795	11,970	65,226	845,991
Additions	124,472	-	158,121	282,593
Disposals	-	(11,970)	-	(11,970)
At 30 September 2018	893,267	-	223,347	1,116,614
Depreciation				
At 1 October 2017	394,248	7,803	46,088	448,139
Charge for the year	62,248	(764)	17,863	79,347
Disposals	-	(7,039)	-	(7,039)
At 30 September 2018	456,496	-	63,951	520,447
Net book value				
At 30 September 2018	436,771	-	159,396	596,167
At 30 September 2017	374,547	4,167	19,138	397,852

Paddington Construction Limited

Notes to the Financial Statements For the Year Ended 30 September 2018

6. Stocks

	2018 £	2017 £
Raw materials and consumables	764,310	525,197
Work in progress	106,065	1,456,103
Finished goods and goods for resale	310,730	58,273
	<u>1,181,105</u>	<u>2,039,573</u>

Stock is shown net of provisions totalling £297,925 (2017 - £102,652).

There is no material difference between the replacement cost of stocks and the amounts stated above.

Stock recognised as an expense during the year was £10,262,934 (2017 - £10,412,109).

7. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	2,289,652	609,111
Other debtors	581,258	220,438
Prepayments and accrued income	100,306	115,468
	<u>2,971,216</u>	<u>945,017</u>

8. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts (see note 13)	404,250	141,616
Trade creditors	1,184,531	1,009,749
Amounts owed to group undertakings	241,534	101,346
Amounts owed to related parties	22,846	-
Other taxation and social security	94,848	98,015
Other creditors	463,542	427,937
Accruals and deferred income	298,792	355,079
	<u>2,710,343</u>	<u>2,133,742</u>

Amounts owed to related parties relate to amounts due to Ardmore Contracting (Ireland) Limited, which is related due to common control of the directors.

Paddington Construction Limited

Notes to the Financial Statements For the Year Ended 30 September 2018

9. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
150,000 ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>

On 26 September 2017, the company issued 3,661,361 ordinary shares of £1 each at par to the immediate parent company, Ardmore Group Limited. The company immediately bought back the issue of shares at par and cancelled them, increasing distributable reserves by £3,661,361.

10. Reserves

The company's capital and reserves are as follows:

Called up share capital

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

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

11. Commitments under operating leases

At 30 September 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than one year	<u>471,000</u>	<u>471,000</u>

12. Guarantees

The company has entered into an unlimited cross guarantee in respect of an overdraft facility and a long-term loan, secured over all the assets of BCL Rail Services Limited, Byrne Construction Limited, Ardmore Construction Limited, British Contractors Plant Limited, Lintelcourt Limited, CPC Mechanical & Electrical Services Limited and CMP Recruitment Limited. The net indebtedness of the above companies in respect of the overdraft facility at 30 September 2018 was £Nil (2017 - £Nil).

C J Byrne and P J Byrne have together provided personal guarantees in respect of the overdraft facility to the sum of £500,000. The life assurance policy for C J Byrne held by Ardmore Construction Limited and the policy for P J Byrne held by Paddington Construction Limited have been assigned to the lender as part of the overdraft guarantee.

Paddington Construction Limited

Notes to the Financial Statements For the Year Ended 30 September 2018

13. Controlling party

The company's immediate and ultimate parent company is Ardmore Group Limited, incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated was that headed by Ardmore Group Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Ultimate control of the group rests with C J and P J Byrne.

14. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2018 was unqualified.

The audit report was signed on 17 December 2018 by Geraint Jones (Senior Statutory Auditor) on behalf of BDO LLP.