

HARPER GROUP PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



.ck

HARPER GROUP PLC

COMPANY INFORMATION

Directors	Miss V Overton Mr A Rees Mr M Harvey Mr P Mondon
Secretary	Miss V Overton
Company number	01854872
Registered office	Beeches Road Rowley Regis Warley West Midlands B65 0BB
Auditors	CK Audit No.4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH
Business address	Beeches Road Rowley Regis Warley West Midlands B65 0BB
Bankers	HSBC Bank Plc 31 Church Street Kidderminster Worcestershire West Midlands DY10 2AY

HARPER GROUP PLC

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Profit and loss account	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8 - 19

HARPER GROUP PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The company is a parent company. The principal activities of the subsidiary undertakings are the provision of building contractor services delivering all construction types, including but not restricted to, commercial, industrial, leisure and retail, health, education, refurbishment, public buildings, affordable and private housing of all sizes under all procurement routes.

Directors

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

Miss V Overton
Mr A Rees
Mr M Harvey
Mr P Mondon

Results and dividends

The results for the year are set out on page 5.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Auditors

The auditors, CK Audit, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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.

HARPER GROUP PLC

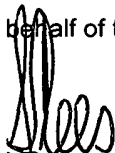
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of disclosure to auditors

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 auditors are 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 auditors are aware of that information.

On behalf of the board



Mr A Rees

Director

25 April 2016

HARPER GROUP PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HARPER GROUP PLC

We have audited the financial statements of Harper Group Plc for the year ended 31 December 2015 which comprise the Profit And Loss Account, the Balance Sheet, 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 Financial Reporting Standard 102.

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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 2015 and of its loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

HARPER GROUP PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF HARPER GROUP PLC

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 company is entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

ck Audit

Wendy Davies (Senior Statutory Auditor)
for and on behalf of CK Audit

25 April 2016

Chartered Accountants
Statutory Auditor

No.4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

HARPER GROUP PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	2014
	Notes	£	£
Turnover	3	135,000	68,000
Administrative expenses		(125,933)	(61,179)
Operating profit	4	9,067	6,821
Interest receivable and similar income	8	1	17
Subsidiary loan written off	9	(1,615,360)	-
(Loss)/profit before taxation		(1,606,292)	6,838
Taxation	10	-	-
(Loss)/profit for the financial year	20	(1,606,292)	6,838
Total comprehensive income for the year		(1,606,292)	6,838

The profit and loss account has been prepared on the basis that all operations are continuing operations.

HARPER GROUP PLC

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	11		1,192		1,590
Investments	12		1,932,154		1,932,154
			<u>1,933,346</u>		<u>1,933,744</u>
Current assets					
Debtors	13	200		1,867,748	
Cash at bank and in hand		164,658		75,174	
		<u>164,858</u>		<u>1,942,922</u>	
Creditors: amounts falling due within one year	14	(2,224,412)		(2,276,582)	
Net current liabilities			<u>(2,059,554)</u>		<u>(333,660)</u>
Total assets less current liabilities			<u>(126,208)</u>		<u>1,600,084</u>
Creditors: amounts falling due after more than one year	15		(15,000)		(135,000)
Net (liabilities)/assets			<u><u>(141,208)</u></u>		<u><u>1,465,084</u></u>
Capital and reserves					
Called up share capital	18		599,508		599,508
Capital redemption reserve	19		2,701		2,701
Profit and loss reserves	20		<u>(743,417)</u>		<u>862,875</u>
Total equity			<u><u>(141,208)</u></u>		<u><u>1,465,084</u></u>

The financial statements were approved by the board of directors and authorised for issue on 25 April 2016 and are signed on its behalf by:

Mr M Harvey
Director

Company Registration No. 01854872

HARPER GROUP PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2014	599,508	2,701	856,037	1,458,246
Period ended 31 December 2014:				
Profit and total comprehensive income for the year	-	-	6,838	6,838
Balance at 31 December 2014	599,508	2,701	862,875	1,465,084
Period ended 31 December 2015:				
Profit and total comprehensive income for the year	-	-	(1,606,292)	(1,606,292)
Balance at 31 December 2015	599,508	2,701	(743,417)	(141,208)

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Harper Group Plc is a company limited by shares incorporated in England and Wales. The registered office is Beeches Road, Rowley Regis, Warley, West Midlands, B65 0BB.

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.

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 31 December 2015 are the first financial statements of Harper Group Plc prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 25.

The company has taken advantage of the reduced disclosure exemptions for subsidiaries as follows:

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A providing the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirement of Section 33 Related Party Disclosures paragraph 33.7.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Harper Group Plc is a wholly owned subsidiary of Harper Group Management Limited and the results of Harper Group Plc are included in the consolidated financial statements of Harper Group Management Limited which are available from Beeches Road, Rowley Regis, Warley, West Midlands, B65 0BB.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets 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 useful lives on the following bases:

Fixtures, fittings & equipment	25% reducing balance
--------------------------------	----------------------

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 recognised in the profit and loss account.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting 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.

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

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) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic 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.

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.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.9 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.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.11 Retirement benefits

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

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of investments

The directors have considered the valuation of the investment in subsidiaries. Judgement has been taken as to the future profitability of the subsidiary companies. The directors are satisfied that there is no impairment provision required.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015 £	2014 £
Turnover		
Mangement charges - Group	135,000	68,000
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	1	17
	<u> </u>	<u> </u>
Turnover analysed by geographical market		
	2015 £	2014 £
United Kingdom	135,000	68,000
	<u> </u>	<u> </u>

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit

	2015 £	2014 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	398	530
	<u> </u>	<u> </u>

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

5 Auditors' remuneration

	2015 £	2014 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	1,500	1,750
For other services		
Taxation compliance services	500	500
All other non-audit services	500	500
	1,000	1,000

6 Employees

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

	2015 Number	2014 Number
Administration	1	1

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	32,940	34,739
Social security costs	2,014	1,923
Pension costs	81,333	18,000
	116,287	54,662

7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	32,940	34,739
Company pension contributions to defined contribution schemes	81,333	18,000
	114,273	52,739

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 1).

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

8 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Other interest income	1	17
	<u>1</u>	<u>17</u>

9 Amounts written off investments

	2015 £	2014 £
Subsidiary loan written off	(1,615,360)	-
	<u>(1,615,360)</u>	<u>-</u>

10 Taxation

	2015 £	2014 £
During the year, the UK corporation tax main rate decreased from 21% to 20%. Following budget 2016 announcements, there will be a further reduction in the main rate of corporation tax to 19% from 1 April 2017.		

The charge for the year can be reconciled to the (loss)/profit per the profit and loss account as follows:

	2015 £	2014 £
(Loss)/profit before taxation	(1,606,292)	6,838
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 20.00%)	(321,258)	1,368
Tax effect of utilisation of tax losses not previously recognised	(1,894)	(1,474)
Depreciation on assets not qualifying for tax allowances	80	106
Amounts written off subsidiary company loans	323,072	-
Tax expense for the year	<u>-</u>	<u>-</u>

The company has estimated tax losses of £33,692 (2014 - £43,158) available for carry forward against future trading profits.

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

11 Tangible fixed assets

Fixtures, fittings & equipment

	£
Cost	
At 1 January 2015	127,704
At 31 December 2015	127,704
Depreciation and impairment	
At 1 January 2015	126,114
Depreciation charged in the year	398
At 31 December 2015	126,512
Carrying amount	
At 31 December 2015	1,192
At 31 December 2014	1,590

12 Fixed asset investments

	Notes	2015 £	2014 £
Investments in subsidiaries	24	1,932,154	1,932,154

Movements in fixed asset investments

	Shares £
Cost or valuation	
At 1 January 2014 & 31 December 2014	1,932,154
Carrying amount	
At 31 December 2015	1,932,154
At 31 December 2014	1,932,154

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

13 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Corporation tax recoverable	-	2,395
Amount due from parent undertaking	200	-
Amounts due from subsidiary undertakings	-	1,865,353
	<u>200</u>	<u>1,867,748</u>

14 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Loans and overdrafts	16	120,000	120,000
Trade creditors		13,990	1,315
Amount due to parent undertaking		-	199,300
Amounts due to subsidiary undertakings		1,923,985	1,838,718
Other taxation and social security		152,119	103,616
Other creditors		7,719	7,038
Accruals and deferred income		6,599	6,595
		<u>2,224,412</u>	<u>2,276,582</u>

15 Creditors: amounts falling due after more than one year

	Notes	2015 £	2014 £
Loans and overdrafts	16	<u>15,000</u>	<u>135,000</u>

16 Loans and overdrafts

	2015 £	2014 £
Other loans	<u>135,000</u>	<u>255,000</u>
Payable within one year	120,000	120,000
Payable after one year	<u>15,000</u>	<u>135,000</u>

The loan is secured by a fixed and floating charge over the assets of the company.

The company has a loan with S Underhill of £135,000 (2014 £255,000) which is repayable at £10,000 per month until repaid in full. Interest becomes payable on this loan if residential planning permission is obtained in respect of land owned by a subsidiary company. Interest will accrue from the date of granting of residential planning permission and in addition to this an additional interest payment of £100,000 will be payable.

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

17 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £81,333 (2014 - £18,000).

18 Share capital

	2015 £	2014 £
Ordinary share capital		
Authorised		
2,300 Ordinary shares of £1 each	2,300	2,300
Issued and fully paid		
678 Ordinary shares of £1 each	678	678
Preference share capital		
Authorised		
598,830 Deferred shares of £1 each	598,830	598,830
748 Convertible "A" shares of £1 each	748	748
331 Convertible "B" shares of £1 each	331	331
	599,909	599,909
Issued and fully paid		
598,830 Deferred shares of £1 each	598,830	598,830

The Deferred £1 shares are entitled to an aggregate cash dividend of £1 in a period only after a dividend of not less than £10,000,000 has been distributed to holders of the £1 ordinary shares.

On a return of assets on liquidation, these non-equity shareholders would be entitled to receive the sum of 1p per share subject to the holders of the ordinary shares first having received the sum of £1,000 per share.

The non-equity shareholders have no rights to receive notice of or attend or vote at General Meetings of the Company.

19 Capital redemption reserve

	2015 £	2014 £
At beginning and end of year	2,701	2,701

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

20 Profit and loss reserves

	2015 £	2014 £
At 1 January 2015	862,875	856,037
(Loss)/profit for the year	(1,606,292)	6,838
At 31 December 2015	(743,417)	862,875

21 Financial commitments, guarantees and contingent liabilities

The company is party to unlimited guarantees and cross guarantees with other group companies to secure overdraft facilities of the group. The amount owing by other group companies at 31 December 2015 was £nil (2014 £nil).

22 Related party transactions

Transactions with related parties

No guarantees have been given or received.

23 Controlling party

The directors regard Harper Group Management Limited, a company registered in England and Wales, as the ultimate parent company.

The directors regard Harper Group Management Limited, a company registered in England and Wales, as the ultimate controlling party.

Harper Group Management Limited is the parent undertaking of the largest and only group of which the company is a member and for which group financial statements are drawn up.

Group financial statements and copies can be obtained from Beeches Road, Rowley Regis, Warley, West Midlands, B65 0BB.

24 Subsidiaries

These financial statements are separate company financial statements for Harper Group plc.

Separate company financial statements are required to be prepared by law. Consolidated financial statements for Harper Group Management Limited, the ultimate parent company, are prepared and publicly available.

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Harper Group Construction Limited	England and Wales Civil engineering, construction & property development	Ordinary	100.00	-
J Harper & Sons (Leominster) Limited	England and Wales Civil engineering construction	and Ordinary	100.00	-

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

24 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Harper Group Construction Limited	1,762,839	(1,267,658)
J Harper & Sons (Leominster) Limited	58,241	2,937,763

25 Transition to FRS 102

The company has adopted FRS 102 for the year ended 31 December 2015 and has restated the comparative prior year amounts.

Explanations

- 1 The inter group loans more than one year have been restated as amounts due within one year. There is no effect on profit or opening reserves.