

COMPANY REGISTRATION NUMBER: 02558280

V.G. Clements Limited
Financial Statements
31 December 2018

V.G. Clements Limited

Financial Statements

Year ended 31 December 2018

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V.G. Clements Limited

Directors' Report

Year ended 31 December 2018

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

Directors

The directors who served the company during the year were as follows:

Mrs C M Pryce

Mr L R McKidd

Mr J Kriel

Mr M J Fitzpatrick

Directors' responsibilities statement

The directors are responsible for preparing the directors' 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 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 judgments 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

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

This report was approved by the board of directors on 27 September 2019 and signed on behalf of the board by:

Mr M J Fitzpatrick

Director

Registered office:

Cardinal House

Bury Street

Ruislip

HA4 7GD

V.G. Clements Limited

Independent Auditor's Report to the Members of V.G. Clements Limited

Year ended 31 December 2018

Opinion

We have audited the financial statements of V.G. Clements Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which 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 take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also: - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors. - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the financial statements, including

the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Use of our report This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Rosa Maria Garcia Nunez
(Senior Statutory Auditor)

For and on behalf of

Abbots

Chartered Certified Accountants & Statutory Auditor

Printing House

66 Lower Road

Harrow

HA2 0DH

27 September 2019

V.G. Clements Limited

Statement of Income and Retained Earnings

Year ended 31 December 2018

		2018	2017
	Note	£	£
Turnover	4	5,445,724	7,454,176
Cost of sales		4,394,741	5,749,517
		-----	-----
Gross profit		1,050,983	1,704,659
Administrative expenses		983,137	1,239,539
		-----	-----
Operating profit	5	67,846	465,120
Other interest receivable and similar income	7	266	872
Interest payable and similar expenses	8	—	70
		-----	-----
Profit before taxation		68,112	465,922
Tax on profit	9	19,804	95,083
		-----	-----
Profit for the financial year and total comprehensive income		48,308	370,839
		-----	-----
Retained earnings at the start of the year		1,382,643	1,011,804
		-----	-----
Retained earnings at the end of the year		1,430,951	1,382,643
		-----	-----

All the activities of the company are from continuing operations.

V.G. Clements Limited

Statement of Financial Position

31 December 2018

		2018		2017	
	Note	£	£	£	£
Current assets					
Debtors	10	1,859,002		2,400,931	
Cash at bank and in hand		354,864		207,726	
		-----		-----	
		2,213,866		2,608,657	
Creditors: amounts falling due within one year	11	781,915		1,225,014	
		-----		-----	
Net current assets			1,431,951		1,383,643
			-----		-----
Total assets less current liabilities			1,431,951		1,383,643
			-----		-----
Net assets			1,431,951		1,383,643
			-----		-----
Capital and reserves					
Called up share capital	12		1,000		1,000
Profit and loss account	13		1,430,951		1,382,643
			-----		-----
Shareholders funds			1,431,951		1,383,643
			-----		-----

These financial statements were approved by the board of directors and authorised for issue on 27 September 2019 , and are signed on behalf of the board by:

Mr M J Fitzpatrick

Director

Company registration number: 02558280

V.G. Clements Limited

Notes to the Financial Statements

Year ended 31 December 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Cardinal House, Bury Street, Ruislip, Middlesex, HA4 7GD. The principal activity of the company during the year under review was that of providing specialised construction solutions for building and civil engineering projects.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The entity meets the conditions of being defined as a small company under Companies Act 2006. In accordance with the small companies' regime, the company is exempt from the requirements to prepare a strategic report and cash flow statement.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the date of the statement of financial position. This is normally measured by the proportion contract costs incurred for work performed to date bear to the estimated contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract value, the expected loss is recognised as an expense immediately.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

4. Turnover

Turnover arises from:

	2018	2017
	£	£
Management and delivery of projects in the rail industry	5,445,724	7,454,176
	-----	-----

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging:

	2018	2017
	£	£
Fees payable for the audit of the financial statements	13,888	9,000
	-----	-----

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
	No.	No.
Direct	15	22
	----	----

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	636,622	680,779
Social security costs	69,215	84,293
	-----	-----
	705,837	765,072

7. Other interest receivable and similar income

	2018	2017
	£	£
Other interest receivable and similar income	266	872
	----	----

8. Interest payable and similar expenses

	2018	2017
	£	£
Interest on banks loans and overdrafts	—	70
	----	----

9. Tax on profit

Major components of tax expense

	2018	2017
	£	£
Current tax:		
UK current tax expense	19,804	95,083
	-----	-----
Tax on profit	19,804	95,083
	-----	-----

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19 % (2017: 19.25 %).

	2018	2017
	£	£
Profit on ordinary activities before taxation	68,112	465,922
	-----	-----
Profit on ordinary activities by rate of tax	12,941	89,673
Effect of expenses not deductible for tax purposes	7,034	5,448
Effect of capital allowances and depreciation	(171)	(38)
	-----	-----
Tax on profit	19,804	95,083
	-----	-----

10. Debtors

	2018	2017
	£	£
Trade debtors	648,270	1,661,956
Amounts owed by group undertakings	987,032	670,812
Prepayments and accrued income	18,238	24,412
Corporation tax repayable	205,462	—
Other debtors	—	43,751
	-----	-----
	1,859,002	2,400,931
	-----	-----

Of the trade debtors, £648,270 (2017 - £1,661,956) is attributable to amounts recoverable under construction contracts.

11. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	270,283	740,886
Amounts owed to group undertakings	279,998	218,084
Accruals and deferred income	44,089	147,369
Corporation tax	—	94,212
Social security and other taxes	180,837	24,413
Other creditors	6,708	50
	<u>781,915</u>	<u>1,225,014</u>

12. Called up share capital**Issued, called up and fully paid**

	2018		2017	
	No.	£	No.	£
Ordinary shares of £ 1 each	1,000	1,000.00	1,000	1,000.00
	<u>1,000</u>	<u>1,000.00</u>	<u>1,000</u>	<u>1,000.00</u>

13. Reserves

Called up share capital - This reserve represents the nominal value of shares that have been issued. Profit and loss account - This reserve records retained earnings and accumulated losses.

14. Contingencies

There is an intercompany guarantee between V.G. Clements Limited , V.G. Clements (Contractors) Limited, VGC Services Limited, VGC Personnel Limited and V.G.C. Construction Limited in favour of National Westminster Bank Plc. There is a guarantee between V.G. Clements Limited and Ashley Industrial Properties Limited of £2,281,200 payable on demand in favour of National Westminster Bank Plc.

15. Related party transactions

V.G. Clements Limited is a 100% owned subsidiary of VGC Group Limited. VGC Group Limited intends to prepare consolidated accounts therefore V.G. Clements Limited has taken advantage of the exemption contained within FRS 102 which eliminates the requirement to report related party balances.

16. Controlling party

100% of the share capital is owned by VGC Group Limited. The directors consider this to be the ultimate parent company. The group consolidated accounts can be obtained from the company's registered office; the address is stated on page 4 of these accounts.

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.