

COMPANY REGISTRATION NUMBER: 04397031

Value Construction Limited

Financial Statements

For the year ended

31 December 2020



Value Construction Limited

Financial Statements

Year ended 31 December 2020

Contents	Page
Director's report	1
Director's responsibilities statement	2
Independent auditor's report to the member	3
Statement of income and retained earnings	7
Statement of financial position	8
Notes to the financial statements	9

Value Construction Limited

Director's Report

Year ended 31 December 2020

The director presents his report and the financial statements of the company for the year ended 31 December 2020.

Director

The director who served the company during the year was as follows:

Mr P Hickey

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 14 June 21 and signed on behalf of the board by:



Mr P Hickey
Director

Registered office:
Foundation House
Clarendon Road
Wallington
Surrey
United Kingdom
SM6 8QX

Value Construction Limited

Director's Responsibilities Statement

Year ended 31 December 2020

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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Value Construction Limited

Independent Auditor's Report to the Member of Value Construction Limited

Year ended 31 December 2020

Opinion

We have audited the financial statements of Value Construction Limited (the 'company') for the year ended 31 December 2020 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 2020 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included the review of company forecasts and financial performance post year end, confirmation from intercompany creditors that they will not request payment for at least 12 months from the date the accounts are signed and obtaining confirmation from the parent company that they will financially continue to support the entity for at least 12 months from the date of signing these accounts. As part of our review, we also assessed the parent company's ability to provide financial support.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Value Construction Limited

Independent Auditor's Report to the Member of Value Construction Limited (continued)

Year ended 31 December 2020

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 director is 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's 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 director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

Value Construction Limited

Independent Auditor's Report to the Member of Value Construction Limited *(continued)*

Year ended 31 December 2020

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Value Construction Limited

Independent Auditor's Report to the Member of Value Construction Limited *(continued)*

Year ended 31 December 2020

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.



Atul Kariya FCCA (Senior Statutory Auditor)

For and on behalf of
MacIntyre Hudson
Chartered accountants & statutory auditor
6th Floor
2 London Wall Place
London
EC2Y 5AU

Dated: 14 June 2021

Value Construction Limited

Statement of Income and Retained Earnings

Year ended 31 December 2020

	Note	2020 £	2019 £
Turnover		86,400	86,400
Gross profit		<u>86,400</u>	<u>86,400</u>
Administrative expenses		(27,683)	(24,631)
Operating profit		<u>58,717</u>	<u>61,769</u>
Other interest receivable and similar income	6	150	151
Interest payable and similar expenses	7	<u>-</u>	<u>(101)</u>
Profit before taxation		58,867	61,819
Tax on profit	8	21	(11,765)
Profit for the financial year and total comprehensive income		<u>58,888</u>	<u>50,054</u>
Dividends paid and payable		(70,000)	-
Retained earnings at the start of the year		<u>755,617</u>	<u>705,563</u>
Retained earnings at the end of the year		<u>744,505</u>	<u>755,617</u>

All the activities of the company are from continuing operations.

The notes on pages 9 to 14 form part of these financial statements.

Value Construction Limited

Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	9	694,900	694,900
Current assets			
Cash at bank and in hand		53,134	87,268
Creditors: amounts falling due within one year	10	(3,528)	(26,550)
Net current assets		49,606	60,718
Total assets less current liabilities		744,506	755,618
Net assets		744,506	755,618
Capital and reserves			
Called up share capital		1	1
Profit and loss account		744,505	755,617
Shareholder funds		744,506	755,618

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 14 June 21 and are signed on behalf of the board by:



Mr P Hickey
Director

Company registration number: 04397031

The notes on pages 9 to 14 form part of these financial statements.

Value Construction Limited

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Foundation House, Clarendon Road, Wallington, Surrey, SM6 8QX, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of 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, the functional currency of the entity, rounded to the nearest £1.

Going concern

The director has considered the cash position of the company as at the year end and its anticipated level of future trading activity for a period of 12 months after the date of signing the financial statements. As the company's main customer is Foundation Developments Limited, a fellow subsidiary of Hickey Group Limited, this review has incorporated a review of the current resources and future trading activity of Foundation Developments Limited.

The director acknowledges that the current economic environment results in an increased level of uncertainty over the level of future activity and consequent demand for the company's products.

The parent company, Hickey Group Limited, finances its operations through cash balances. The Group has no overdraft facilities or long-term borrowings. Covid-19 continues to disrupt the construction sector. The company has reviewed its forecasts and projections to reflect the impact on future trading and cash flow. The forecasts predict that despite reduced margins the significant levels of cash within the Group, at over £12m at the end of April 2021, allied with a low fixed cost base would be sufficient to allow the Group to continue trading for at least 12 months from the date of signing the financial statements.

Based on the forecasts the director has a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Thus the director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Value Construction Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Hickey Group Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Corporation 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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Value Construction Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date by professional valuers or by the director and any changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

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.

Value Construction Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2020

Critical accounting judgements

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. There were no critical judgements nor key sources of estimation uncertainty in these financial statements.

4. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>2,400</u>	<u>4,128</u>

5. Employee numbers

The average number of persons employed was nil (2019: nil).

The company did not pay any remuneration to the directors. The directors are remunerated elsewhere within the group.

6. Other interest receivable and similar income

	2020	2019
	£	£
Interest on cash and cash equivalents	<u>150</u>	<u>151</u>

7. Interest payable and similar expenses

	2020	2019
	£	£
Other interest payable	<u>-</u>	<u>101</u>

8. Tax on profit

Major components of tax (income)/expense

	2020	2019
	£	£
Current tax:		
UK current tax expense	-	11,765
Adjustments in respect of prior periods	(21)	-
Total current tax	<u>(21)</u>	<u>11,765</u>
Tax on profit	<u>(21)</u>	<u>11,765</u>

Value Construction Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2020

8. Tax on profit (continued)

Reconciliation of tax (income)/expense

The tax assessed on the profit on ordinary activities for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019
	£	£
Profit on ordinary activities before taxation	58,867	61,819
Profit on ordinary activities by rate of tax	11,184	11,746
Adjustment to tax charge in respect of prior periods	(20)	19
Group loss relief	(11,185)	-
Tax on profit	(21)	11,765

9. Tangible assets

	Investment property £
Cost or valuation	
At 1 January 2020 and 31 December 2020	694,900
Depreciation	
At 1 January 2020 and 31 December 2020	-
Carrying amount	
At 31 December 2020	694,900
At 31 December 2019	694,900

The investment property was valued by the director at 31 December 2020 at £694,000.

Value Construction Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2020

9. Tangible assets (continued)

Tangible assets held at valuation

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Leasehold property £
At 31 December 2020	
Aggregate cost	609,309
Aggregate depreciation	–
Carrying value	<u>609,309</u>
At 31 December 2019	
Aggregate cost	609,309
Aggregate depreciation	–
Carrying value	<u>609,309</u>

10. Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings and undertakings in which the company has a participating interest	612	–
Corporation tax	–	23,542
Other creditors	<u>2,916</u>	<u>3,008</u>
	<u>3,528</u>	<u>26,550</u>

11. Related party transactions

The company is a wholly-owned member of Hickey Group Limited whose registered office address is Foundation House, Clarendon Road, Wallington, Surrey, SM6 8QX. The company's financial statements are consolidated into the financial statements of Hickey Group Limited. As such, advantage has been taken of the exemption available under paragraph 33.1A of FRS 102.

12. Controlling party

The immediate and ultimate parent company and controlling party is Hickey Group Limited, a company registered in England and Wales. Consolidated financial statements are prepared by the ultimate parent company and this is the smallest and largest company which consolidates these financial statements. Copies of group financial statements, which include the results of Value Construction Limited, are available from the registered office shown on page 1. The ultimate controlling party is Mr P Hickey.