

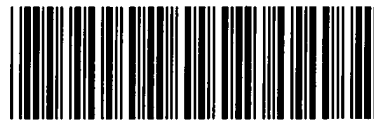
COMPANY REGISTRATION NUMBER: 9470346

Sixsmith Build Limited

Financial Statements

**For the year ended
31 December 2019**

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Sixsmith Build Limited

Strategic Report

Year ended 31 December 2019

Principal activities and review of business

The principal activity of the Company during the year was providing property development services.

A Central London office development was completed in late 2018 and was replaced with a Central London office refurbishment. This project is on a smaller scale and as a result turnover has decreased from £10.7m to £7.1m.

Future developments

The Central London refurbishment project is forecast to be completed by late 2020. The other substantial contract the company is engaged on remains a tourism and leisure scheme that also has an Autumn 2020 forecast practical completion date.

The company has been appointed to build Phase 3 of this scheme, due to break ground in November 2020.

The business continues to pitch for future works that are deemed to fit its geographical and sector specialism.

Principal risks and uncertainties

The directors consider that the following are risks to the business.

After the year end, economies and financial markets around the world experienced substantial falls arising from uncertainties linked to the COVID-19 virus pandemic. The two existing contracts continue to forecast a completion in late 2020 but the possibility of not being able to secure new business to maintain a forward order book has been accentuated by the pandemic.

Material and wage inflation that would be likely to squeeze already tight margins.

In the current economic and political climate, exchange rate risk is a continued uncertainty that is likely to put upward pressure on the material supply chain.

Key performance indicators

The directors consider that both the Gross Margin and Operating Margin to be the Key Performance Indicators. Gross margin has seen an upward movement, while operating margin has seen downward movement in 2019.

This report was approved by the board of directors on 30/9/20 and signed on behalf of the board by:



M.C. Gresham
Director

Registered office:
15 Regent Street
London
SW1Y 4LR

Sixsmith Build Limited

Directors' Report

Year ended 31 December 2019

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

Directors

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

M C Gresham
J M Hunt

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

Details of future developments and financial risk management are included in the strategic report.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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.

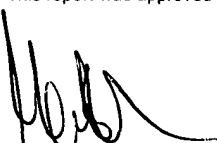
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

This report was approved by the board of directors on 30/9/20 and signed on behalf of the board by:


M C Gresham
Director

Registered office:
15 Regent Street
London
SW1Y 4LR

Sixsmith Build Limited

Independent Auditor's Report to the Members of Sixsmith Build Limited

Year ended 31 December 2019

Opinion

We have audited the financial statements of Sixsmith Build Limited (the 'company') for the year ended 31 December 2019 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 2019 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Sixsmith Build Limited

Independent Auditor's Report to the Members of Sixsmith Build Limited (continued)

Year ended 31 December 2019

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 strategic report or 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.

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.

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 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.

ART Russell

Alistair Russell FCA (Senior Statutory Auditor)

For and on behalf of
Gibson Booth
Chartered Accountants & Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

21/01/20

Sixsmith Build Limited**Statement of Income and Retained Earnings****Year ended 31 December 2019**

		2019 £	2018 £
Turnover	Note 4	7,138,084	10,678,547
Cost of sales		(6,809,498)	(10,214,515)
Gross profit		<u>328,586</u>	<u>464,032</u>
Administrative expenses		(142,720)	(103,887)
Operating profit	5	<u>185,866</u>	<u>360,145</u>
Interest payable and similar expenses		(1,469)	—
Profit before taxation		<u>184,397</u>	<u>360,145</u>
Tax on profit	7	(37,704)	(38,150)
Profit for the financial year and total comprehensive income		<u>146,693</u>	<u>321,995</u>
Retained earnings at the start of the year		<u>1,888,845</u>	<u>1,566,850</u>
Retained earnings at the end of the year		<u>2,035,538</u>	<u>1,888,845</u>

All the activities of the company are from continuing operations.

The notes on pages 7 to 11 form part of these financial statements.

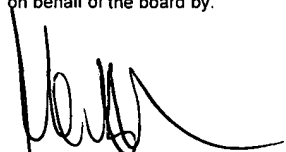
Sixsmith Build Limited

Statement of Financial Position

31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	8	92,137	87,385
Current assets			
Stock	9	111,945	157,961
Debtors	10	7,301,877	25,946,817
Cash at bank and in hand		2,421,093	1,935,836
		<u>9,834,915</u>	<u>28,040,614</u>
Creditors: amounts falling due within one year	11	(7,884,293)	(26,232,571)
Net current assets		<u>1,950,622</u>	<u>1,808,043</u>
Total assets less current liabilities		<u>2,042,759</u>	<u>1,895,428</u>
Provisions			
Deferred tax	12	(7,121)	(6,483)
Net assets		<u>2,035,638</u>	<u>1,888,945</u>
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account	16	2,035,538	1,888,845
Shareholders funds		<u>2,035,638</u>	<u>1,888,945</u>

These financial statements were approved by the board of directors and authorised for issue on 30/9/20, and are signed on behalf of the board by:



M. C. Gresham
Director

Company registration number: 9470346

The notes on pages 7 to 11 form part of these financial statements.

Sixsmith Build Limited

Notes to the Financial Statements

Year ended 31 December 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 15 Regent Street, London, SW1Y 4LR. The principal activity of the company during the year was construction management.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis and under the historical cost convention. The financial statements are prepared in sterling, which is the functional currency of the entity and rounded to the nearest £. The significant accounting policies consistently applied in the preparation of these financial statements are set below.

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 Heven Limited which can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No cash flow statement has been presented because the company has taken advantage of the disclosure exemption available under paragraph 1.12 of FRS 102.

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.

Significant judgements

No significant judgements were made by management in the process of applying the entities accounting policies.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the tangible assets, and note 3 for the depreciation rates used for each class of assets.

Revenue recognition

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

Taxation

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.

Sixsmith Build Limited**Notes to the Financial Statements (continued)****Year ended 31 December 2019**

3. Accounting policies (continued)**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and Fittings	-	20% straight line
Motor Vehicles	-	25% reducing balance
Computer Equipment	-	33% straight line

Work in progress

Work in progress is valued at cost, which includes outlays incurred on behalf of clients and an appropriate proportion of directly attributable costs and overheads on incomplete assignments. Provision is made for irrecoverable costs where appropriate.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Turnover

Turnover arises from:

	2019 £	2018 £
Construction and maintenance	<u>7,138,084</u>	<u>10,678,547</u>

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:

	2019 £	2018 £
Depreciation of tangible assets	<u>25,164</u>	<u>4,369</u>

6. Staff costs

The average number of persons employed by the company during the year amounted to 10 (2018: 15).

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

	2019 £	2018 £
Wages and salaries	386,629	451,748
Social security costs	32,565	40,255
Other pension costs	<u>7,877</u>	<u>6,098</u>
	<u>427,071</u>	<u>498,101</u>

7. Tax on profit**Major components of tax expense**

	2019 £	2018 £
Current tax:		
UK current tax expense	37,066	31,667

Sixsmith Build Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2019

7. Tax on profit (continued)

	2019 £	2018 £
Deferred tax:		
Origination and reversal of timing differences	638	6,483
Tax on profit	37,704	38,150

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	184,397	360,145
Profit on ordinary activities by rate of tax	35,035	68,428
Effect of expenses not deductible for tax purposes	4,777	5,426
Effect of capital allowances and depreciation	(2,108)	—
Utilisation of tax losses	—	(35,704)
Tax on profit	37,704	38,150

8. Tangible assets

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost				
At 1 January 2019	82,521	—	9,854	92,375
Additions	11,743	17,250	923	29,916
At 31 December 2019	94,264	17,250	10,777	122,291
Depreciation				
At 1 January 2019	1,569	—	3,421	4,990
Charge for the year	17,980	3,953	3,231	25,164
At 31 December 2019	19,549	3,953	6,652	30,154
Carrying amount				
At 31 December 2019	74,715	13,297	4,125	92,137
At 31 December 2018	80,952	—	6,433	87,385

9. Stock

	2019 £	2018 £
Work in progress	111,945	157,961

10. Debtors

	2019 £	2018 £
Trade debtors	512,076	2,686,659
Amounts owed by group undertakings	6,625,219	5,112,952
Prepayments and accrued income	22,372	23,939
Amounts owed by related undertakings	142,210	18,119,213
Other debtors	—	4,054
	7,301,877	25,946,817

Sixsmith Build Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2019

10. Debtors (continued)

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

11. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	247,925	251,616
Amounts owed to group undertakings	7,333,013	25,672,062
Accruals and deferred income	66,209	57,533
Corporation tax	37,066	31,667
Social security and other taxes	55,958	75,571
Amounts owed to related undertakings	144,122	144,122
	<u>7,884,293</u>	<u>26,232,571</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

12. Provisions

	Deferred tax (note 13)
	£
At 1 January 2019	6,483
Additions	638
At 31 December 2019	<u>7,121</u>

13. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Included in provisions (note 12)	<u>7,121</u>	<u>6,483</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018
	£	£
Accelerated capital allowances	<u>7,121</u>	<u>6,483</u>

14. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £7,877 (2018: £6,098).

15. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

16. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Sixsmith Build Limited**Notes to the Financial Statements (continued)****Year ended 31 December 2019**

17. Related party transactions

As a wholly owned subsidiary of Heven Limited, the company has taken advantage of the exemption under paragraph 33.1A from the provisions of section 33 of FRS 102, "Related party disclosures" not to disclose transactions with other wholly owned members of the group headed by Heven Limited.

Transactions during the year and balances at the year end with related parties are shown below.

Other related parties

	2019	2018
	£	£
Amounts due from related undertakings	142,210	18,119,213
Trade debtors	501,392	2,659,164
Amounts due to related undertakings	144,122	184,122
Sales	6,156,896	8,024,429

All above balances are unsecured, interest free and repayable on demand.

Key management personnel

Key management personnel include persons that have authority and responsibility for planning, directing, and controlling the activities of the company. Key management personnel are remunerated from and reported in other entities within the group. During the year sales of £170,874 (2018: £2,446,332) were made to one of the key management personnel.

18. Controlling party

Heven Holdings Limited is the immediate parent company and Heven Limited is the ultimate parent company. The smallest and largest group in which the results are consolidated is Heven Limited. The consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is J M Hunt.