

Company Registration No. NI624100 (Northern Ireland)

WESTERN BUILDING SYSTEMS (HLD) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

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WESTERN BUILDING SYSTEMS (HLD) LTD

COMPANY INFORMATION

Directors	Mr M McCloskey Mrs N McCloskey Mrs M Canavan Mr D McCloskey
Company number	NI624100
Registered office	11 Mountjoy Road Coalisland DUNGANNON Co. Tyrone BT71 5DQ
Auditor	Corr & Corr 2nd Floor The Cornmill Lineside, Coalisland Dungannon Co. Tyrone BT71 4LP
Bankers	First Trust Bank 18-20 Scotch St Dungannon Co. Tyrone BT70 1AZ
Solicitors	PA Duffy & Co Solicitors 5-7 Irish Street Dungannon Co. Tyrone BT70 1JW

WESTERN BUILDING SYSTEMS (HLD) LTD

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WESTERN BUILDING SYSTEMS (HLD) LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2016

The directors present the strategic report for the year ended 30 April 2016.

Principal activities

The principal activity of the Company and Group is Construction and Property Development to include Commercial Property Rental.

Development and performance

The financial results for the year ended 30 April 2016 were considered satisfactory, set against a background of increased competition in the market and reduced margins. The outlook for the 2016/17 year is encouraging, and company directors expect performance to be in line with 2016.

Results

Please refer to the profit and loss account for results, which are in line with Group budget. The Group's financial position at the end of the year shows a healthy profit and loss reserve of £18,800,072.

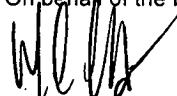
Key Performance Indicators - Financial & Non Financial

The directors consider that the key financial performance indicators are those that communicate the financial position and strength of the company and the Group, these being turnover, gross profit margin and operating profit. Group turnover for the year increased to £39,454,661 (2015: £34,162,310) although the Group gross profit margin fell to 17.88% (2015: 22.69%). The Group's operating profit decreased to £3,603,440 (2015: £4,305,772). The company's non financial key performance indicators include customer service, skilled personnel, health and safety and employee satisfaction.

Principal Risks and Uncertainties

The key business risks and uncertainties affecting the Group include euro exchange rates along with the economic recovery in the construction sector.

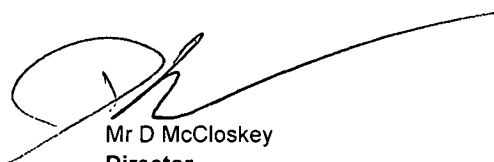
On behalf of the board



Mr M McCloskey

Director

19 January 2017



Mr D McCloskey

Director

19 January 2017

WESTERN BUILDING SYSTEMS (HLD) LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2016

The directors present their annual report and financial statements for the year ended 30 April 2016.

Directors

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

Mr M McCloskey
Mrs N McCloskey
Mrs M Canavan
Mr D McCloskey

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend. The profit for the year has been transferred to reserves.

Financial instruments

Where there is significant exposure to fluctuations in the exchange rates of foreign currencies the Group enters into appropriate forward contracts to mitigate the risk.

The Group finances its operations through a mixture of retained profits and cash at bank. The Group's exposure to interest rate fluctuations is therefore limited.

Research and development

The Group is actively involved in research and development activities throughout the production process.

Employee involvement

Within the bounds of commercial confidentiality, management disseminates information to all levels of staff about matters that affect the progress of the company and Group and are of interest and concern to them as employees. Employees and their representatives are consulted to ensure their views can be taken into account in the decision making process. The company continues to be committed to increasing the involvement of employees in the drive to improve performance.

Post reporting date events

There are no events that have occurred since the year end which require reporting or disclosure in the financial statements. However, the directors consider that hedging against foreign currency risk, especially euro, is necessary going forward. The company has also been carrying this out historically.

Future developments

The Group's order book is already very strong and post year end trading is strong.

Auditor

The auditor, Corr & Corr, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

WESTERN BUILDING SYSTEMS (HLD) LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

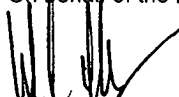
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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 auditor of the company and group is 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 auditor of the company and group is aware of that information.

On behalf of the board



Mr M McCloskey
Director

19 January 2017



Mr D McCloskey
Director

19 January 2017

WESTERN BUILDING SYSTEMS (HLD) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WESTERN BUILDING SYSTEMS (HLD) LTD

We have audited the financial statements of Western Building Systems (Hld) Ltd for the year ended 30 April 2016 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor

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 group's and the parent 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 group's and the parent company's affairs as at 30 April 2016 and of its profit 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 matter prescribed by the Companies Act 2006

In our opinion 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.

WESTERN BUILDING SYSTEMS (HLD) LTD

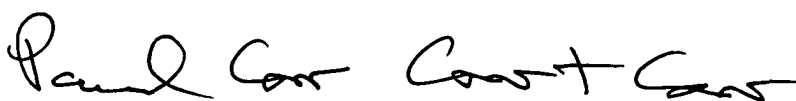
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WESTERN BUILDING SYSTEMS (HLD) LTD

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Paul Corr (Senior Statutory Auditor)
for and on behalf of Corr & Corr

19 January 2017

Chartered Accountants
Statutory Auditor

2nd Floor
The Cornmill
Lineside, Coalisland
Dungannon
Co. Tyrone
BT71 4LP

WESTERN BUILDING SYSTEMS (HLD) LTD

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	2015 £
Turnover	3	39,454,661	34,162,310
Cost of sales		(32,400,993)	(26,411,129)
Gross profit		7,053,668	7,751,181
Distribution costs		(543,579)	(356,215)
Administrative expenses		(2,969,197)	(3,117,943)
Other operating income		62,548	28,749
Operating profit	4	3,603,440	4,305,772
Interest receivable and similar income	7	65,290	136,198
Interest payable and similar charges	8	-	(2,315)
Profit before taxation		3,668,730	4,439,655
Taxation	9	(824,200)	(648,927)
Profit for the financial year	23	2,844,530	3,790,728

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

The Group has no recognised gains or losses other than the results for the year as set out above.

WESTERN BUILDING SYSTEMS (HLD) LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2016

	2016	2015
	£	£
Profit for the year	2,844,530	3,790,728
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,844,530</u>	<u>3,790,728</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

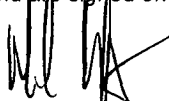
WESTERN BUILDING SYSTEMS (HLD) LTD


GROUP BALANCE SHEET

AS AT 30 APRIL 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Goodwill	10	738,934		811,378	
Tangible assets	11	640,014		530,110	
		<u>1,378,948</u>		<u>1,341,488</u>	
Current assets					
Stocks	15	2,222,805	4,102,941		
Debtors	16	3,662,187	3,681,230		
Cash at bank and in hand		19,752,915	17,277,573		
		<u>25,637,907</u>	<u>25,061,744</u>		
Creditors: amounts falling due within one year	17	<u>(8,057,871)</u>	<u>(10,283,102)</u>		
Net current assets		<u>17,580,036</u>		<u>14,778,642</u>	
Total assets less current liabilities		<u>18,958,984</u>		<u>16,120,130</u>	
Provisions for liabilities	18	<u>(118,812)</u>		<u>(124,481)</u>	
Net assets		<u><u>18,840,172</u></u>		<u><u>15,995,649</u></u>	
Capital and reserves					
Called up share capital	20	40,100	40,100		
Profit and loss reserves	23	18,800,072	15,955,549		
Total equity		<u><u>18,840,172</u></u>		<u><u>15,995,649</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 19 January 2017 and are signed on its behalf by:


Mr M McCloskey
Director


Mr D McCloskey
Director

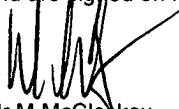
WESTERN BUILDING SYSTEMS (HLD) LTD


COMPANY BALANCE SHEET

AS AT 30 APRIL 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Investments	12		40,104		40,004
Current assets					
Debtors	16	760,015		96	
Cash at bank and in hand		6,523,022		7,257,384	
		<u>7,283,037</u>		<u>7,257,480</u>	
Creditors: amounts falling due within one year	17	(28,071)		(3,500)	
Net current assets			7,254,966		7,253,980
Total assets less current liabilities			<u>7,295,070</u>		<u>7,293,984</u>
Capital and reserves					
Called up share capital	20		40,100		40,100
Profit and loss reserves	23		7,254,970		7,253,884
Total equity			<u>7,295,070</u>		<u>7,293,984</u>

The financial statements were approved by the board of directors and authorised for issue on 19 January 2017 and are signed on its behalf by:


Mr M McCloskey
Director


Mr D McCloskey
Director

Company Registration No. NI624100

WESTERN BUILDING SYSTEMS (HLD) LTD

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 May 2014		-	12,164,814	12,164,814
Year ended 30 April 2015:				
Profit and total comprehensive income for the year		-	3,790,728	3,790,728
Issue of share capital	20	40,100	-	40,100
Balance at 30 April 2015		40,100	15,955,542	15,995,642
Year ended 30 April 2016:				
Profit and total comprehensive income for the year		-	2,844,530	2,844,530
Balance at 30 April 2016		40,100	18,800,072	18,840,172

WESTERN BUILDING SYSTEMS (HLD) LTD

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 May 2014		-	-	-
Year ended 30 April 2015:				
Profit and total comprehensive income for the year		-	7,253,884	7,253,884
Issue of share capital	20	40,100	-	40,100
Balance at 30 April 2015		40,100	7,253,884	7,293,984
Year ended 30 April 2016:				
Profit and total comprehensive income for the year		-	1,086	1,086
Balance at 30 April 2016		40,100	7,254,970	7,295,070

WESTERN BUILDING SYSTEMS (HLD) LTD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	26	3,247,257		6,886,022	
Interest paid		-		(2,315)	
Income taxes paid		(680,074)		(471,279)	
Net cash inflow from operating activities		<u>2,567,183</u>		<u>6,412,428</u>	
Investing activities					
Purchase of tangible fixed assets		(260,700)		(304,800)	
Proceeds on disposal of tangible fixed assets		79,440		22,410	
Interest received		65,290		136,198	
Net cash used in investing activities		<u>(115,970)</u>		<u>(146,192)</u>	
Financing activities					
Proceeds from issue of shares		-		40,200	
Repayment of borrowings		24,129		8,014	
Net cash generated from financing activities		<u>24,129</u>		<u>48,214</u>	
Net increase in cash and cash equivalents		<u>2,475,342</u>		<u>6,314,450</u>	
Cash and cash equivalents at beginning of year		17,277,573		10,963,123	
Cash and cash equivalents at end of year		<u><u>19,752,915</u></u>		<u><u>17,277,573</u></u>	

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

Company information

Western Building Systems (Hld) Ltd ("the company") is a limited company domiciled and incorporated in Northern Ireland. The registered office is 11 Mountjoy Road, Coalisland, Co.Tyrone, BT71 5DQ.

The group consists of Western Building Systems (Hld) Ltd and all of its subsidiaries.

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 under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 30 April 2016 are the first financial statements of Western Building Systems (Hld) Ltd and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 May 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,086 (2015 - £7,253,884 profit).

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Western Building Systems (Hld) Ltd and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 April 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

The Group made a healthy profit during the year ended 30 April 2016 and at that date the Group's assets exceeded its liabilities.

After making enquiries, the directors have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.4 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.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5% per annum.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

The directors consider that the expected useful life of goodwill is 20 years.

1.7 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:

Plant and machinery	25% Reducing Balance
Fixtures and fittings	20/25% Reducing Balance
Motor vehicles	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.

Freehold land is not depreciated as it is deemed to have an infinite useful life.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

1.12 Construction contracts

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 reporting end date. 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.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

Bank interest accruing on capital borrowed to fund the production of long term contracts is carried forward within long term contract balances.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

Bank interest accruing on capital borrowed to fund the production of long term contracts is carried forward within long term contract balances.

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

1.14 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors 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. Financial assets classified as receivable within one year are not amortised.

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.

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 group 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 group after deducting all of its liabilities.

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors 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 group's contractual obligations expire or are discharged or cancelled.

1.15 Equity instruments

Equity instruments issued by the group 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 group.

1.16 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

1.17 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.

1.18 Retirement benefits

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

1.19 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.20 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.21 Foreign exchange

Company

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in the foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Group

For the purposes of preparing consolidated financial statements, the assets and liabilities of foreign subsidiary undertakings are translated at the exchange rates ruling at the balance sheet date. Profit and loss items are translated at the average exchange rate, unless exchange rates fluctuated significantly in the year, in which case the exchange rates ruling at the dates of the transaction are used. Exchange rate differences arising are taken to the Group's foreign currency translation reserve. Such exchange differences are recognised in the profit and loss account in the year in which a foreign subsidiary undertaking is disposed of.

Goodwill and fair adjustments arising on the acquisition of a foreign subsidiary undertaking are treated as assets and liabilities of the foreign subsidiary and translated at the closing rate.

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

3 Turnover and other revenue

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

	2016 £	2015 £
Turnover		
Construction contracts	38,239,216	30,433,301
Sale of goods	1,185,368	3,653,822
Rental Income	30,077	75,187
	<u>39,454,661</u>	<u>34,162,310</u>
 Other significant revenue		
Interest income	65,290	136,198
Grants received	45,392	9,156
	<u>110,682</u>	<u>145,354</u>

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	20,783,723	20,334,857
Republic of Ireland	18,670,938	13,827,453
	<u>39,454,661</u>	<u>34,162,310</u>

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	176,897	71,053
Government grants	(45,392)	(9,156)
Depreciation of owned tangible fixed assets	78,053	54,043
(Profit)/loss on disposal of tangible fixed assets	(6,697)	16,013
Amortisation of intangible assets	72,444	72,444
Cost of stocks recognised as an expense	8,881,265	7,628,660
Operating lease charges	150,000	150,000

5 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	14,430	14,430

6 Employees

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

	2016 Number	2015 Number
Production	30	43
Administration	14	10

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	1,505,093	1,529,939
Pension costs	350,934	447,394
	1,856,027	1,977,333

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	65,290	136,198

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

7 Interest receivable and similar income (Continued)

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	65,290	136,198
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8 Interest payable and similar charges

	2016 £	2015 £
Other finance costs:		
Other interest	-	2,315
Total finance costs	-	2,315

9 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	824,065	568,099
Adjustments in respect of prior periods	5,804	-
Total current tax	829,869	568,099
Deferred tax		
Origination and reversal of timing differences	(5,669)	80,828
Total tax charge	824,200	648,927

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	3,668,730	4,439,655
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	733,746	887,931
Tax effect of expenses that are not deductible in determining taxable profit	-	(28,963)
Tax effect of utilisation of tax losses not previously recognised	(55,781)	-
Adjustments in respect of prior years	5,804	(276,156)
Permanent capital allowances in excess of depreciation	(25,397)	(14,713)
Other permanent differences	171,498	-
Deferred tax : origination and reversal of timing differences	(5,670)	80,828
Tax expense for the year	824,200	648,927

10 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 May 2015 and 30 April 2016	1,448,884
Amortisation and impairment	
At 1 May 2015	637,506
Amortisation charged for the year	72,444
At 30 April 2016	709,950
Carrying amount	
At 30 April 2016	738,934
At 30 April 2015	811,378

Goodwill relates to the value applied to Western Building Systems at incorporation from the partnership to the limited company in May 2005 and is being written off over 20 years on a straight line basis. The directors consider that the expected useful life of goodwill is 20 years and the carrying value of the goodwill on the balance sheet does not exceed the market value.

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

11 Tangible fixed assets

Group	Freehold land and buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2015	300,000	827,762	86,945	170,801	1,385,508
Additions	-	222,330	-	38,370	260,700
Disposals	(50,000)	(99,760)	-	(12,500)	(162,260)
At 30 April 2016	250,000	950,332	86,945	196,671	1,483,948
Depreciation and impairment					
At 1 May 2015	-	684,809	73,578	97,011	855,398
Depreciation charged in the year	-	50,833	3,144	24,076	78,053
Eliminated in respect of disposals	-	(82,828)	-	(6,689)	(89,517)
At 30 April 2016	-	652,814	76,722	114,398	843,934
Carrying amount					
At 30 April 2016	250,000	297,518	10,223	82,273	640,014
At 30 April 2015	300,000	142,953	13,367	73,790	530,110

Freehold Land & Property refers to property purchased by the company during 2014. The directors consider the market value of the property to be £250,000 based on local property prices in the surrounding area. The cost of land is not depreciated.

The directors have also carried out an impairment review and consider the net book value of fixed assets does not exceed the recoverable amount.

12 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	13	-	-	40,104	40,004

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

13 Subsidiaries

Details of the company's subsidiaries at 30 April 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Western Building Systems Limited	Construction	Ordinary	100.00	
Jas Properties Limited	Property development	Ordinary	100.00	
Western Commercial Properties Limited	Commercial property rental	Ordinary	100.00	

14 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Carrying amount of financial assets				
Instruments measured at amortised cost	23,201,215	20,922,437	7,273,118	7,257,480
Equity instruments measured at cost less impairment	-	-	40,104	40,004
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	7,729,851	10,117,738	27,800	3,500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Financial assets measured at amortised cost comprise bank and cash, trade debtors, other debtors and amounts owed by group and associated companies.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, directors loan accounts, amounts owed to associated companies and accruals.

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

15 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Raw materials and consumables	140,522	161,131	-	-
Work in progress and finished goods	2,082,283	3,941,810	-	-
	<u>2,222,805</u>	<u>4,102,941</u>	<u>-</u>	<u>-</u>

Stocks and Work in Progress are measured at the lower of cost and net realisable value. Cost in respect of finished goods includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition. Net realisable value is the price at which stock can be realised in the normal course of business. Provision is made where necessary for obsolete, slow moving and defective stock.

Work in Progress is valued on the basis of direct costs plus attributable overheads based on normal activity. Provisions are made for any foreseeable losses where appropriate. No profit element is included in the valuation of Work in Progress.

RICS Member GP McGarrigle, Survey Services has carried out a valuation on the stock & WIP at the period end. The total closing stock & WIP shown in the accounts has been valued based on the lower of cost and NRV.

16 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	2,979,722	1,999,880	-	-
Amounts due from subsidiary undertakings	-	-	750,000	-
Other debtors	167,952	1,644,984	4,107	96
Prepayments and accrued income	50,132	36,366	5,908	-
	<u>3,197,806</u>	<u>3,681,230</u>	<u>760,015</u>	<u>96</u>
Amounts falling due after more than one year:				
Amounts owed by associated companies	<u>464,381</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debtors	<u>3,662,187</u>	<u>3,681,230</u>	<u>760,015</u>	<u>96</u>

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

16 Debtors

(Continued)

Included above is £50,000 which has been advanced to associated company, Square Property Developments Ltd, in respect of the purchase of a development site. Interest has been accrued on this amount, at a rate of 3.25% per annum, for the year ended 30 April 2016. Therefore the total amount owed to Western Building Systems Ltd at the year end was £50,757. Monies are due to be repaid following completion of each dwelling on the development site.

£380,000 has been advanced to associated company, Bush Property Developments Ltd, in respect of the purchase of a Development Site. Interest has been accrued on this amount, at a rate of 3.25% per annum, for the period ended 30th April 2016. Therefore the total amount owed to Jas Properties Ltd at the period end was £393,398.90. Monies are due to be repaid following completion of each dwelling on the Bush Road site.

17 Creditors: amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
Notes	£	£	£	£
Directors' loan accounts	2,024,769	2,000,640	-	-
Trade creditors	3,858,437	4,002,079	12,000	-
Amounts due to group undertakings	-	1,221,089	-	-
Amounts due to undertakings in which the group has a participating interest	1,379,764	1,380,724	-	-
Corporation tax payable	202,962	53,167	271	-
Other taxation and social security	125,058	112,197	-	-
Other creditors	40,383	22,692	12,100	-
Accruals and deferred income	426,498	1,490,514	3,700	3,500
	<u>8,057,871</u>	<u>10,283,102</u>	<u>28,071</u>	<u>3,500</u>

First Trust Bank have made available the following facilities:

£1,000,000 overdraft;

€500,000 overdraft;

£5,000,000 of a forward contract;

€11,000,000 of a Global contract bond; and

Several other Contract Bonds amounting to £476,000 & €5.292 million relating to various contracts with Department of Educations & Skills and other public bodies.

Directors of the company, Mr Martin & Mrs Nora McCloskey & Mr Declan McCloskey, have personally guaranteed facilities to First Trust Bank for £2,250,000, wherein their liability is limited to Legal Mortgage / Charge over commercial premises at 11 Mountjoy Road, Coalisland. They have also provided personal guarantees to First Trust Bank amounting to £245,000 plus interest and contract bonds from DRD and Northern Ireland Water amount to £221,970.

First Trust Bank also have a mortgage debenture incorporating a fixed & floating charge over all company assets, present and future.

The company has also signed a counter indemnity in respect of a letter of guarantee in favour of Allied Irish Banks plc, wherein the banks liability is limited to £375,000 (€500,000) plus interest.

Directors Martin & Nora McCloskey have in addition counter indemnified Contract Bonds amounting to €5.489 million & £408,100 over several sites.

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

18 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Group		
Accelerated capital allowances	-	80,828
Tax losses	-	43,653
Other	118,812	-
	<u>118,812</u>	<u>124,481</u>

The company has no deferred tax assets or liabilities.

19 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>350,934</u>	<u>447,394</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20 Share capital

	Group and company 2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
40,100 of £1 each	<u>40,100</u>	<u>40,100</u>

21 Limitation of auditor's liability

The terms of agreement regarding the limitation of the auditors liability are set out in the engagement letter, in accordance with Section 538 Companies Act 2006

22 Bank covenants

All bank covenants have been met for the year ended 30 April 2016.

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

23 Profit and loss reserves

	Group 2016 £	2015 £	Company 2016 £	2015 £
At the beginning of the year	15,955,542	12,164,814	7,253,884	-
Profit for the year	2,844,530	3,790,728	1,086	7,253,884
At the end of the year	18,800,072	15,955,542	7,254,970	7,253,884

24 Related party transactions

Under Section 33 of FRS102 the company does not need to disclose transactions entered into between two, or more, members of a group; as such the company have taken advantage of this.

Bush Property Developments Ltd is a development company owned and partly operated by company directors, Mr.D McCloskey and Mrs.M Canavan. During the year ended 30 April 2016, Western Building Systems Ltd was engaged to carry out construction work for Bush Property Developments Ltd. No sales invoices were issued in the year, however work in progress of £310,796 was accrued by Bush Property Development Ltd at year end.

As at the year end Bush Property Development Ltd owes £11,925 (2015-£11,925) to Western Building Systems Ltd in relation to a loan given in the prior year.

Jas Properties Ltd is an associated company which has provided a loan of £380,000 (2015- £380,000) to Bush Property Developments Ltd. Interest has been accrued at an annual rate of 3.25% which totals an amount of £13,398.90.

During the year ended 30 April 2016 Square Property Developments Ltd purchased a site from related company Western Building Systems Ltd, which is partly operated by directors Mr.D McCloskey and Mrs.M Canavan for £50,000. This balance was still owed at the year end and interest accrued at an annual rate of 3.25% which totals an amount of £757.

Katabol Consultants Ltd is a property development company, operated by the same directors as the group. Katabol Consultants Ltd have received a loan from Jas Properties Ltd amounting to £1,380,724 (2015- £1,380,724), all of which remains outstanding as at the year end.

All transactions were conducted on an arm's length basis under normal trading terms.

25 Controlling party

The Ultimate Controlling Party is Company directors and shareholders Mr. M and Mrs.N McCloskey.

WESTERN BUILDING SYSTEMS (HLD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

26 Cash generated from group operations

	2016	2015
	£	£
Profit for the year after tax	2,844,530	3,790,728
Adjustments for:		
Taxation charged	824,200	648,927
Finance costs	-	2,315
Investment income	(65,290)	(136,198)
(Gain)/loss on disposal of tangible fixed assets	(6,697)	16,013
Amortisation and impairment of intangible assets	72,444	72,444
Depreciation and impairment of tangible fixed assets	78,053	54,043
Movements in working capital:		
Decrease/(increase) in stocks	1,880,136	(4,102,941)
Decrease/(increase) in debtors	19,036	(3,681,230)
(Decrease)/increase in creditors	(2,399,155)	10,221,921
Cash generated from operations	3,247,257	6,886,022