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Scott-Moncrieff
business advisers and accountants

GHI CONTRACTS LIMITED

Company registration number SC152713

Abbreviated Financial Statements

For the year ended 31 August 2015

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GHI CONTRACTS LIMITED

Abbreviated financial statements for the year ended 31 August 2015

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GHI CONTRACTS LIMITED

Strategic report for the year ended 31 August 2015

The directors present their strategic report and the financial statements of the company for the year ended 31 August 2015.

Review of the business

The principal activity of the company is that of commercial interior refurbishment and fit-out.

The general economic recovery has continued with cautious optimism returning to our sector. We have taken advantage of this, managing to increase turnover to £20m (2014: £15m).

Results and dividends

The results for the year are shown on the profit and loss account on page 5. The profit for the year after taxation was £386,549.

No dividends were paid during the year.

Future developments

The company will continue to seek business outside its current client base, whilst continuing to maintain the high standards that our existing clients have come to expect.

Share capital

On 9 September 2014, the company purchased 35 (1.99%) ordinary shares of £0.001 each of the company's ordinary share capital from Graham and Patricia Holmes.

On 15 December 2014, the company purchased 35 (2.03%) ordinary shares of £0.001 each of the company's ordinary share capital from Graham and Patricia Holmes.

On 27 February 2015, the company purchased 35 (2.08%) ordinary shares of £0.001 each of the company's ordinary share capital from Graham and Patricia Holmes.

Principal risks and uncertainties

We expect the coming year to present improving trading conditions in terms of opportunities and turnover, however we expect continued pressure on margin to persist. The directors believe that our current secured workload, corporate client base and robust operating procedures will ensure the business remains profitable in 2016. Our business plan is to achieve additional market share in our core sectors and secure further medium term contracts to those already in place.

Key performance indicators

The board of directors meet monthly to review the detailed monthly management accounts, develop our future strategies and review performance against key performance indicators.

Disabled Employees

The company recognises its obligations towards disabled persons and endeavours to provide as many employment, training and career opportunities as the demands of the company's operations and the abilities of the disabled persons allow.

Political and charitable contributions

No charitable contributions were made during the year (2014: £nil).

GHI CONTRACTS LIMITED

Strategic report for the year ended 31 August 2015 (continued)

Signed on behalf of the board

A handwritten signature in black ink, appearing to read 'G Cairns', written in a cursive style.

**G Cairns
Director**

Approved by the Board on 5 February 2016.

GHI CONTRACTS LIMITED

Directors' report for the year ended 31 August 2015

The directors present their report and the financial statements of the company for the year ended 31 August 2015.

Directors

The directors who served during the year were:

G Holmes
G Cairns
Mrs S Hunter
C Sibbald
G Mochan (Non Executive)

Disclosure of information to the auditors

To the knowledge and belief of each of the persons who are directors at the time the report is approved:

- So far as the directors are aware, there is no relevant information of which the company's auditors are unaware, and
- He/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant information, and to establish that the company's auditors are aware of the information.

Auditor

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

Signed on behalf of the board



G Cairns
Director

Approved by the Board on 5 February 2016.

GHI CONTRACTS LIMITED

**Independent auditors' report to GHI Contracts Limited
under section 449 of the Companies Act 2006**

We have examined the abbreviated accounts which comprise the Abbreviated Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes, together with the financial statements of GHI Contracts Limited for the year ended 31 August 2015 prepared under section 396 of the Companies Act 2006.

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 work has been undertaken so that we might state to the company's members those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

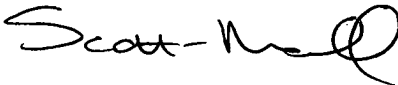
Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Bernadette Higgins (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff
Statutory Auditor
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

5 February 2016

GHI CONTRACTS LIMITED

Abbreviated profit and loss account for the year ended 31 August 2015

	<u>Notes</u>	<u>2015</u> £	<u>2014</u> £
Turnover		19,802,664	15,499,455
Gross profit and other operating income		2,151,346	1,722,723
Administrative expenses		(1,642,220)	(1,353,095)
Operating profit	2	509,126	369,628
Other interest receivable and similar income		3,250	2,189
Interest payable and similar charges	5	(2,800)	(3,081)
Profit on ordinary activities before taxation		509,576	368,736
Taxation on profit on ordinary activities	6	(123,027)	(53,271)
Profit for the financial year	14	386,549	315,465

None of the company's activities were acquired or discontinued during the above two years.

There were no recognised gains or losses other than those included in the profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.

GHI CONTRACTS LIMITED

Abbreviated balance sheet as at 31 August 2015

	<u>Notes</u>	<u>2015</u> £	<u>2014</u> £
Fixed assets			
Tangible assets	7	73,377	79,274
Current assets			
Stock	8	662,120	339,565
Debtors	9	4,677,751	3,077,512
Cash at bank and in hand		1,690,531	2,325,644
		<u>7,030,402</u>	<u>5,742,721</u>
Creditors: amounts falling due within one year		<u>(6,216,087)</u>	<u>(5,207,442)</u>
Net current assets		<u>814,315</u>	<u>535,279</u>
Total assets less current liabilities		<u>887,692</u>	<u>614,553</u>
Creditors: amounts falling due after more than one year	11	<u>(23,032)</u>	<u>(23,942)</u>
Net assets		<u><u>864,660</u></u>	<u><u>590,611</u></u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account	14	864,658	590,609
Shareholders' funds	15	<u><u>864,660</u></u>	<u><u>590,611</u></u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were authorised for issue by the board of directors on 5 February 2016 and signed on its behalf by:


G Cairns
 Director

Company Registration No: SC152713

The notes on pages 8 to 14 form part of these financial statements.

GHI CONTRACTS LIMITED

Cash flow statement for the year ended 31 August 2015

	<u>Notes</u>	<u>2015</u> £	<u>2014</u> £
Operating activities			
Net cash (outflow)/inflow from operating activities	16a	(487,674)	1,522,315
Returns on investments and servicing of finance			
Interest and similar income received		3,250	2,189
Interest element of finance lease payments		(2,800)	(3,081)
Government grants		29,480	17,063
Net cash inflow/(outflow) from returns on investments and servicing of finance		29,930	16,171
Taxation			
Corporation tax paid		(59,990)	(9,473)
Capital expenditure			
Payments to acquire tangible fixed assets		(23,328)	(48,365)
Receipts from sale of tangible fixed assets		4,511	5,851
Net cash outflow from investing activities		(18,817)	(42,514)
		(536,551)	1,486,499
Financing			
Share capital redeemed		112,500	112,500
Increase in finance lease and HP contracts		849	12,531
Net cash flow from financing		(111,651)	(99,969)
(Decrease)/increase in cash	16c	(648,202)	1,386,530

The notes on pages 8 to 14 form part of these financial statements.

1 Accounting policies**Going concern**

The company has sufficient cash reserves and net assets to ensure it can remain in operational existence for a period of 12 months from the date on which these accounts have been signed. As a consequence, it is deemed appropriate to have these financial statements prepared on a going concern basis.

Accounting convention

The financial statements are prepared on the historical cost convention.

Turnover

Turnover represents value of the goods and services supplied by the company during the year, excluding value added tax.

Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Motor vehicles	25%	reducing balance
Equipment, fixtures and fittings	25%	reducing balance
Computer equipment	25%	reducing balance

Stocks

Stock and work in progress is valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Long-term contract balances are stated at net cost less foreseeable losses less applicable payments on account. The amount recorded as turnover in respect of long-term contracts is ascertained by reference to the value of the work carried out to date. Attributable profit is recognised as the difference between recorded turnover and related costs.

Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a nondiscounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Government Grants

Government grants received for capital items are written off over the life of the asset to which they relate, and are included in other operating income where they are revenue based.

Hire purchase and lease transactions

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to the profit and loss account evenly over the term of each agreement.

Rentals under operating leases are charged to the profit and loss account as they fall due.

GHI CONTRACTS LIMITED

Notes to the abbreviated financial statements for the year ended 31 August 2015 (continued)

1 Accounting policies (continued)

Pension scheme

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2 Operating profit

This is stated after charging:

	<u>2015</u> £	<u>2014</u> £
Depreciation of owned assets	11,153	13,065
Depreciation of assets under finance leases and HP	12,662	13,358
Loss on disposal of tangible fixed assets	899	24,395
Auditor's remuneration - Audit fee	7,046	6,704
Auditor's remuneration - fees for non audit services	<u>19,900</u>	<u>13,195</u>

3 Employee information

	<u>2015</u> £	<u>2014</u> £
Staff costs:		
Wages and salaries	1,893,286	1,605,115
Social security costs	200,527	173,032
Other pension costs	<u>33,240</u>	<u>23,591</u>
	<u>2,127,053</u>	<u>1,801,738</u>

The average number of persons employed during the year, including executive directors, was made up as follows:

	<u>2015</u> Number	<u>2014</u> Number
Administration staff	23	20
Direct labour	<u>34</u>	<u>31</u>
	<u>57</u>	<u>51</u>

4 Directors' remuneration

	<u>2015</u> £	<u>2014</u> £
Salaries and benefits	291,511	233,789
Company contributions to money purchase pension schemes	9,528	4,132
Compensation for loss of office	-	10,725
	<u>301,039</u>	<u>248,646</u>

The remuneration of the highest paid director was:

Salaries and benefits	<u>137,016</u>	<u>89,879</u>
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The number of directors who were accruing benefits under company pension schemes were as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
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GHI CONTRACTS LIMITED

Notes to the abbreviated financial statements for the year ended 31 August 2015 (continued)

5 Interest payable and similar charges

	<u>2015</u> £	<u>2014</u> £
Hire Purchase	<u>2,800</u>	<u>3,081</u>

Payments made under operating leases are in respect of the hire of plant and machinery.

6 Taxation on profit on ordinary activities

	<u>2015</u> £	<u>2014</u> £
United Kingdom corporation tax at 20.58% (2014: 20%)	<u>116,308</u>	59,990
Deferred taxation (note 12)	<u>6,719</u>	<u>(6,719)</u>
	<u><u>123,027</u></u>	<u><u>53,271</u></u>

Factors affecting tax charge for the period

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.58% (2014: 20%)	<u>104,875</u>	73,747
Effects of:		
Expenses not deductible for tax purposes	<u>11,063</u>	1,001
Depreciation in excess of capital allowances for the period	<u>834</u>	4,260
Utilisation of tax losses	-	(19,164)
Other short term timing differences	<u>884</u>	146
Marginal relief	<u>(1,348)</u>	-
Current tax charge for the year	<u><u>116,308</u></u>	<u><u>59,990</u></u>

7 Tangible fixed assets

	<u>Motor vehicles</u> £	<u>Equipment fixtures and fittings</u> £	<u>Computer equipment</u> £	<u>Total</u> £
Cost				
At 1 September 2014	86,002	259,660	17,390	363,052
Additions	19,834	-	3,494	23,328
Disposals	(17,098)	-	-	(17,098)
At 31 August 2015	<u>88,738</u>	<u>259,660</u>	<u>20,884</u>	<u>369,282</u>
Depreciation				
At 1 September 2014	45,923	230,947	6,908	283,778
Charge for the year	12,662	8,175	2,978	23,815
Adjustments for disposals	(11,688)	-	-	(11,688)
At 31 August 2015	<u>46,897</u>	<u>239,122</u>	<u>9,886</u>	<u>295,905</u>
Net book value				
At 31 August 2015	<u>41,841</u>	<u>20,538</u>	<u>10,998</u>	<u>73,377</u>
At 31 August 2014	<u>40,079</u>	<u>28,713</u>	<u>10,482</u>	<u>79,274</u>

GHI CONTRACTS LIMITED

Notes to the abbreviated financial statements for the year ended 31 August 2015 (continued)

8 Stocks

	<u>2015</u> £	<u>2014</u> £
Raw materials	62,500	62,500
Work in progress	599,620	277,065
	<u>662,120</u>	<u>339,565</u>

9 Debtors

	<u>2015</u> £	<u>2014</u> £
Trade debtors	3,203,628	2,197,186
Other debtors	817,788	691,094
Amounts owed by related undertakings	483,346	143,096
Prepaid expenses and accrued income	142,224	8,652
Deferred tax (note 15)	-	6,719
Directors' loan account	30,765	30,765
	<u>4,677,751</u>	<u>3,077,512</u>

Included within other debtors is £nil (2014: £5,970) which is due greater than one year.

10 Creditors: amounts falling due within one year

	<u>2015</u> £	<u>2014</u> £
Bank loans and overdrafts	13,089	-
Trade creditors	2,336,716	2,240,079
Other creditors	765,161	577,947
Corporation tax	116,308	59,990
Other tax and social security	259,999	351,503
Net obligations under finance leases and hire purchase contracts	13,430	11,671
Accruals and deferred income	2,711,384	1,966,252
	<u>6,216,087</u>	<u>5,207,442</u>
Secured creditors	<u>26,519</u>	<u>11,671</u>

Hire purchase creditors hold security over the respective assets financed.

The bank holds a bond and floating charge over the assets and undertakings of the company.

11 Creditors: amounts falling after more than one year

	<u>2015</u> £	<u>2014</u> £
Net obligations under finance leases and hire purchase contracts	<u>23,032</u>	<u>23,942</u>

GHI CONTRACTS LIMITED

Notes to the abbreviated financial statements for the year ended 31 August 2015 (continued)

12 Provisions for liabilities

	<u>2015</u> £	<u>2014</u> £
Accelerated capital allowances	-	(6,719)
	<u>-</u>	<u>(6,719)</u>
Provision at start of year	(6,719)	
Deferred tax charge in profit and loss account for year (note 6)	<u>6,719</u>	
Provision at end of year	<u>-</u>	

13 Called-up share capital

	<u>2015</u> £	<u>2014</u> £
Allotted, called up and fully paid		
Equity shares:		
1,650 ordinary shares of £0.001 each	<u>2</u>	<u>2</u>

On 9 September 2014, the company purchased 35 (1.99%) ordinary shares of £0.001 each of the company's ordinary share capital from Graham and Patricia Holmes at a cost of £37,500.

On 15 December 2014, the company purchased 35 (2.03%) ordinary shares of £0.001 each of the company's ordinary share capital from Graham and Patricia Holmes at a cost of £37,500.

On 27 February 2015, the company purchased 35 (2.08%) ordinary shares of £0.001 each of the company's ordinary share capital from Graham and Patricia Holmes at a cost of £37,500.

14 Reserves

	Profit and loss account £
At 1 September 2014	590,609
Profit for the year	386,549
Buy back of shares	(112,500)
At 31 August 2015	<u>864,658</u>

15 Reconciliation of movement in shareholders' funds

	<u>2015</u> £	<u>2014</u> £
Profit for the year	386,549	315,465
Payment to acquire shares	(112,500)	(112,500)
Net addition to shareholders' funds	<u>274,049</u>	<u>202,965</u>
Shareholders' funds at 1 September 2014	<u>590,611</u>	<u>387,646</u>
Shareholders' funds at 31 August 2015	<u>864,660</u>	<u>590,611</u>

GHI CONTRACTS LIMITED

Notes to the abbreviated financial statements for the year ended 31 August 2015 (continued)

16 Notes to the cash flow statement

a) Reconciliation of operating profit to net cash flow operating activities

	<u>2015</u> £	<u>2014</u> £
Operating profit	509,126	369,628
Depreciation charges	23,815	26,423
Loss on sale of fixed assets	899	24,395
(Increase)/decrease in stock	(322,555)	728,569
(Increase) in debtors	(1,606,958)	(511,783)
Increase in creditors	937,479	902,146
Government grants	(29,480)	(17,063)
Net cash (outflow)/inflow from operating activities	<u>(487,674)</u>	<u>1,522,315</u>

b) Analysis of change in net debt

	<u>Brought forward</u>	<u>Cash flows</u>	<u>Other changes</u>	<u>Carried forward</u>
Cash at bank and in hand	2,325,644	(635,113)	-	1,690,531
Bank overdraft	-	(13,089)	-	(13,089)
	<u>2,325,644</u>	<u>(648,202)</u>	<u>-</u>	<u>1,677,442</u>
Debt due within one year	(11,671)	(1,759)	-	(13,430)
Debt due after more than one year	(23,942)	-	910	(23,032)
	<u>2,290,031</u>	<u>(649,961)</u>	<u>910</u>	<u>1,640,980</u>

c) Reconciliation of net cash flow to movement in debt

	<u>2015</u> £	<u>2014</u> £
Net (decrease)/increase in cash	(648,202)	1,386,530
Increase in finance lease and HP contracts	(849)	(12,531)
Changes in net debt/2014 funds	(649,051)	1,373,999
Net funds at 1 September 2014	<u>2,290,031</u>	<u>916,032</u>
Net funds 31 August 2015	<u>1,640,980</u>	<u>2,290,031</u>

17 Contingent liabilities

All assets of the company are secured by an inter-company guarantee.

18 Transactions in which the directors have an interest

As at the balance sheet date, the company was owed £21,880 from G Cairns (2014: £21,880), £4,720 from S Hunter (2014: £4,720), £4,720 from C Sibbald (2014: £4,720) and the company owed G Holmes £555 (2014: £555). The loans are interest free, with no particular terms of repayment. The maximum balance due from the directors in the year was £30,765 (2014: £30,765).

GHI CONTRACTS LIMITED

Notes to the abbreviated financial statements for the year ended 31 August 2015 (continued)

19 Related parties

GHI Developments Limited

Included within debtors is an amount of £nil (2014 - £101,846) due by GHI Developments Limited, a related undertaking through common directors.

Included within other debtors is an amount of £nil (2014 - £41,250) due by GHI Developments Limited.

During the year the company rented office premises from GHI Developments Limited. In the year to 31 August 2015, the rental charge paid for this period was £60,981 (2014 - £81,853) including service charges.

GHI Contracts Holdings Limited

Included within debtors is an amount of £483,346 (2014: £nil) due by GHI Contracts Holdings Limited, the parent company.

The bank holds a charge of £400,000 for a bank loan.

During the year the company rented office premises from GHI Contracts Holdings Limited. In the year to 31 August 2015, the rental charge paid for this period was £20,858 (2014 - £nil) including service charges.

20 Pension commitments and other post-retirement benefits

Defined contribution scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost and charge represents contributions payable by the company to the fund and amounted to £33,240 (2014: £23,601). At 31 August 2015 contributions amounting to £5,472 (2014: £1,179) were payable to the fund and were included in creditors.

21 Performance Bonds

The company has entered into performance bonds which is in the normal course of business at a rate of 5.5%.