

REGISTERED NUMBER: SC263290 (Scotland)

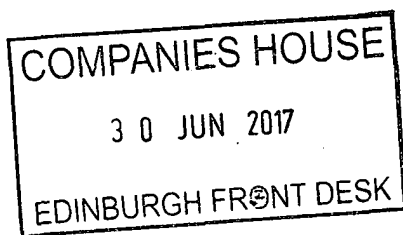
**Strategic Report, Report of the Directors and**

**Financial Statements**

**for the Year Ended 30 September 2016**

**for**

**NWH Construction Services Ltd**



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for the Year Ended 30 September 2016**

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**NWH Construction Services Ltd**

**Company Information  
for the Year Ended 30 September 2016**

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**DIRECTORS:**

M P Williams  
C D Williams  
R A Williams  
W MacMillan

**SECRETARY:**

R A Williams

**REGISTERED OFFICE:**

Unit 5  
Mayfield Industrial Estate  
Dalkeith  
Midlothian  
EH22 4AD

**REGISTERED NUMBER:**

SC263290 (Scotland)

**AUDITORS:**

Campbell Dallas LLP  
Chartered Accountants  
Statutory Auditors  
Titanium 1  
King's Inch Place  
Renfrew  
PA4 8WF

**Strategic Report  
for the Year Ended 30 September 2016**

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

**REVIEW OF BUSINESS**

The company has achieved above market growth and an improved gross margin return for the year. Continued investment to facilitate further growth has seen EBITDA returns remain at a comparable level to the prior year.

The business achieved a number of strategic objectives in the year including:

- Development of a management program that will provide effective career development for the management team;
- Development of our driver apprenticeship and driver academy scheme that will ensure that we have the right calibre of qualified drivers to meet future demands; and
- Further diversification into different product offerings.

**KEY PERFORMANCE INDICATORS ("KPIs")**

The company monitors its KPIs on turnover, gross margins, operating profits and liquidity. These are reviewed operationally and at a board level on a weekly basis.

**Strategic Report  
for the Year Ended 30 September 2016**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the nature of the company's strategy are subject to a number of risks. The directors are of the opinion that a risk management process is adopted which involves formal review of all the risks identified. Processes are in place to monitor and mitigate such risks.

**Financial risk management objectives and policies**

The company's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, credit risk and liquidity risk. The company's principal financial instruments comprise sterling cash and bank deposits, inter-company loans, bank loans and overdraft together with trade debtors and trade creditors that arise directly from its operations

The main risks arising from the company's financial instruments can be analysed as follows:

**Credit risk**

The company's principal financial assets are bank balances, cash and trade debtors.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer. Trade debtors are insured on an individual account basis and the company manages each account within these limits. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the company's management based on prior experiences and their assessment of the current environment.

**Liquidity risk**

The company's policy has been to ensure continuity of funding for operations via facilities where limits have been established based on the growth requirements of the business, together with inter-company debt and through acquiring an element of the Group's fixed assets under finance leases as appropriate. The group has an Invoice Finance Facility with RBS, providing flexibility to meet the growth requirements of the business.

Following a review of the Group's forecasts the directors have prepared the financial statements on a going concern basis.

**Cash flow interest rate risk**

Interest bearing assets comprise cash and bank deposits, all of which earn interest at a rate linked to LIBOR. The interest rate on borrows is at market rate and linked to LIBOR.

The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the financial performance of the company.

**ON BEHALF OF THE BOARD:**

  
.....  
M P Williams - Director

Date: 28/06/17  
.....

**Report of the Directors  
for the Year Ended 30 September 2016**

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The directors present their report with the financial statements of the company for the year ended 30 September 2016.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 September 2016.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 October 2015 to the date of this report.

M P Williams  
C D Williams  
R A Williams

Other changes in directors holding office are as follows:

L Higgins - resigned 30 December 2015  
W MacMillan - appointed 14 March 2016

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 of 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 judgements 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**NWH Construction Services Ltd**

**Report of the Directors  
for the Year Ended 30 September 2016**

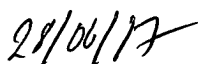
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**AUDITORS**

The auditors, Campbell Dallas LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

  
.....  
M P Williams - Director

Date:   
.....

## **Report of the Independent Auditors to the Members of NWH Construction Services Ltd**

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We have audited the financial statements of NWH Construction Services Ltd for the year ended 30 September 2016 on pages eight to twenty six. 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 Financial Reporting Standard 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 a Report of the Auditors 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 company's circumstances and have been consistently applied and 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 Report of the Directors 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 company's affairs as at 30 September 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.



**Report of the Independent Auditors to the Members of  
NWH Construction Services Ltd**

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**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, 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.

*Campbell Dallas LLP*

Peter Gallanagh (Senior Statutory Auditor)  
for and on behalf of Campbell Dallas LLP  
Chartered Accountants  
Statutory Auditors  
Titanium 1  
King's Inch Place  
Renfrew  
PA4 8WF

Date: *28 June 2017*

**NWH Construction Services Ltd (Registered number: SC263290)**

**Income Statement  
for the Year Ended 30 September 2016**

	Notes	2016 £	2015 £
<b>TURNOVER</b>		16,782,408	16,183,928
Cost of sales		<u>14,476,308</u>	<u>14,157,679</u>
<b>GROSS PROFIT</b>		2,306,100	2,026,249
Onerous contract costs		-	1,250,000
Administrative expenses		<u>1,849,751</u>	<u>1,432,046</u>
		1,849,751	2,682,046
		456,349	(655,797)
Other operating income		<u>847,373</u>	<u>1,112,331</u>
<b>OPERATING PROFIT</b>	5	1,303,722	456,534
Interest payable and similar expenses	7	<u>226,032</u>	<u>212,997</u>
<b>PROFIT BEFORE TAXATION</b>		1,077,690	243,537
Tax on profit	8	<u>204,899</u>	<u>45,026</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>872,791</u>	<u>198,511</u>

The notes form part of these financial statements

**NWH Construction Services Ltd (Registered number: SC263290)**

**Other Comprehensive Income  
for the Year Ended 30 September 2016**

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	Notes	2016 £	2015 £
<b>PROFIT FOR THE YEAR</b>		872,791	198,511
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>872,791</u>	<u>198,511</u>

The notes form part of these financial statements

**NWH Construction Services Ltd (Registered number: SC263290)**

**Balance Sheet**  
**30 September 2016**

		2016		2015	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	9		-		-
Tangible assets	10		<u>5,168,518</u>		<u>5,112,852</u>
			5,168,518		5,112,852
<b>CURRENT ASSETS</b>					
Stocks	11	62,270		22,975	
Debtors	12	7,543,455		5,113,880	
Cash at bank		<u>475,721</u>		<u>-</u>	
		8,081,446		5,136,855	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>7,392,073</u>		<u>6,463,742</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>689,373</u>		<u>(1,326,887)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,857,891		3,785,965
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(3,561,062)		(2,291,238)
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>(169,678)</u>		<u>(240,367)</u>
<b>NET ASSETS</b>			<u>2,127,151</u>		<u>1,254,360</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		910,000		910,000
Retained earnings	20		<u>1,217,151</u>		<u>344,360</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>2,127,151</u>		<u>1,254,360</u>

The financial statements were approved by the Board of Directors on 28/06/17 and were signed on its behalf by:

  
.....  
M P Williams - Director

The notes form part of these financial statements

**NWH Construction Services Ltd (Registered number: SC263290)**

**Statement of Changes in Equity  
for the Year Ended 30 September 2016**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 October 2014</b>	910,000	145,849	1,055,849
<b>Changes in equity</b>			
Total comprehensive income	-	198,511	198,511
<b>Balance at 30 September 2015</b>	910,000	344,360	1,254,360
<b>Changes in equity</b>			
Total comprehensive income	-	872,791	872,791
<b>Balance at 30 September 2016</b>	910,000	1,217,151	2,127,151

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 30 September 2016**

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**1. STATUTORY INFORMATION**

NWH Construction Services Ltd is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

The company has transitioned from previously extant UK GAAP to FRS 102 as at 1 October 2014. An explanation of the transitional adjustments is shown in the reconciliation of equity and reconciliation of profit.

**Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

**Significant judgements and estimates**

The preparation of Financial Statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis and revisions to estimates are recognised in the period in which the estimate is revised and in any future periods affected.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2005, is being amortised evenly over its estimated useful life of ten years.

**Notes to the Financial Statements - continued  
for the Year Ended 30 September 2016**

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**3. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery: 15 to 25% on cost

Freehold property: 4% on cost.

**Stocks**

Stocks are valued at the lower of cost and estimated selling price less anticipated costs to complete and sell, after making due allowance for obsolete and slow moving items.

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

**Deferred tax**

Current tax is recognised for the amount of tax payable on income in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only 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 calculated 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.

The tax expense is presented either in profit or loss or other comprehensive income depending on the transaction that resulted in the tax expense.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

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

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2016

3. ACCOUNTING POLICIES - continued

**Short-term debtors and creditors**

Debtors and creditors with no stated interest rate, and receivable or payable within one year, are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

**Interest-bearing loans and borrowings**

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the income statement.

**Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

4. EMPLOYEES AND DIRECTORS

	2016 £	2015 £
Wages and salaries	4,105,492	3,858,241
Social security costs	386,588	374,103
Other pension costs	18,505	6,819
	<u>4,510,585</u>	<u>4,239,163</u>

The average monthly number of employees during the year was as follows:

	2016	2015
Drivers	99	99
Directors	4	3
Administration	28	27
	<u>131</u>	<u>129</u>

	2016 £	2015 £
Directors' remuneration	<u>218,463</u>	<u>111,215</u>

The number of directors to whom retirement benefits were accruing was as follows:

	4	3
Money purchase schemes	<u>4</u>	<u>3</u>



Notes to the Financial Statements - continued  
for the Year Ended 30 September 2016

4. **EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director for the year ended 30 September 2016 is as follows:

	2016
	£
Emoluments etc	<u>87,695</u>

5. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2016	2015
	£	£
Other operating leases	229,765	139,986
Depreciation - owned assets	304,786	166,894
Depreciation - assets on hire purchase contracts	690,158	732,441
Profit on disposal of fixed assets	(55,042)	(82,689)
Goodwill amortisation	-	55,170
Auditors' remuneration	<u>14,039</u>	<u>18,000</u>

6. **ONEROUS CONTRACT COSTS**

	2016	2015
	£	£
Onerous contract costs	<u>-</u>	<u>(1,250,000)</u>

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2016	2015
	£	£
Bank interest	(1,000)	188
Bank loan interest	40,093	13,246
Loan	5,571	11,954
Hire purchase	145,504	137,506
Discounting charges	<u>35,864</u>	<u>50,103</u>
	<u>226,032</u>	<u>212,997</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2016

8. TAXATION

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax	156,465	2,542
Prior year adjustment	<u>119,123</u>	<u>-</u>
Total current tax	275,588	2,542
Deferred tax	<u>(70,689)</u>	<u>42,484</u>
Tax on profit	<u>204,899</u>	<u>45,026</u>

**Reconciliation of total tax charge included in profit and loss**

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

	2016 £	2015 £
Profit before tax	<u>1,077,690</u>	<u>243,537</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.500%)	215,538	49,925
Effects of:		
Expenses not deductible for tax purposes	11,474	5,036
Income not taxable for tax purposes	(121,174)	-
Adjustments to tax charge in respect of previous periods	119,123	-
Fixed asset differences	17,034	(9,935)
Prior period adjustments - deferred tax	(6,544)	-
Adjust closing deferred tax to average rate	(29,942)	-
Other tax adjustments	<u>(610)</u>	<u>-</u>
Total tax charge	<u>204,899</u>	<u>45,026</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2016

9. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 October 2015 and 30 September 2016	<u>1,084,886</u>
<b>AMORTISATION</b>	
At 1 October 2015 and 30 September 2016	<u>1,084,886</u>
<b>NET BOOK VALUE</b>	
At 30 September 2016	<u>-</u>
At 30 September 2015	<u>-</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold Property £	Plant and machinery £	Computer equipment £	Totals £
<b>COST</b>					
At 1 October 2015	203,875	1,582,672	7,574,737	272,308	9,633,592
Additions	38,198	-	992,380	26,015	1,056,593
Disposals	<u>-</u>	<u>-</u>	<u>(86,959)</u>	<u>-</u>	<u>(86,959)</u>
At 30 September 2016	<u>242,073</u>	<u>1,582,672</u>	<u>8,480,158</u>	<u>298,323</u>	<u>10,603,226</u>
<b>DEPRECIATION</b>					
At 1 October 2015	88,345	647,227	3,520,286	264,882	4,520,740
Charge for year	8,268	76,901	903,080	6,695	994,944
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(80,976)</u>	<u>-</u>	<u>(80,976)</u>
At 30 September 2016	<u>96,613</u>	<u>724,128</u>	<u>4,342,390</u>	<u>271,577</u>	<u>5,434,708</u>
<b>NET BOOK VALUE</b>					
At 30 September 2016	<u>145,460</u>	<u>858,544</u>	<u>4,137,768</u>	<u>26,746</u>	<u>5,168,518</u>
At 30 September 2015	<u>115,530</u>	<u>935,445</u>	<u>4,054,451</u>	<u>7,426</u>	<u>5,112,852</u>

Assets with a net book value of £3,453,127 (2015 - £3,490,197) are held under finance leases at the period end. The depreciation charged in the period with respect to these assets was £690,158 (2015 - £732,441).

11. STOCKS

	2016 £	2015 £
Stocks	<u>62,270</u>	<u>22,975</u>

**Notes to the Financial Statements - continued  
for the Year Ended 30 September 2016**

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade debtors	3,219,049	2,805,150
Amounts owed by group undertakings	3,899,719	2,104,688
Other debtors	72,294	47,443
Prepayments and accrued income	<u>352,393</u>	<u>156,599</u>
	<u>7,543,455</u>	<u>5,113,880</u>

At 30 September 2016 and 2015, trade debtors (excluding related businesses) are factored.

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Bank loans and overdrafts (see note 15)	376,664	99,695
Hire purchase contracts (see note 16)	994,149	981,317
Trade creditors	1,305,268	1,069,509
Amounts owed to group undertakings	16,117	17,254
Tax	278,015	4,970
Social security and other taxes	121,585	104,638
VAT	316,990	298,688
Other creditors	863,431	538,982
Amounts due to debt factor	2,403,406	1,648,880
Accruals and deferred income	<u>716,448</u>	<u>1,699,809</u>
	<u>7,392,073</u>	<u>6,463,742</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016	2015
	£	£
Bank loans (see note 15)	2,073,210	227,805
Hire purchase contracts (see note 16)	1,487,852	1,754,683
Other creditors	<u>-</u>	<u>308,750</u>
	<u>3,561,062</u>	<u>2,291,238</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2016

15. LOANS

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	30,410
Bank loans	<u>376,664</u>	<u>69,285</u>
	<u>376,664</u>	<u>99,695</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>376,664</u>	<u>72,432</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>1,696,546</u>	<u>155,373</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2016 £	2015 £
Net obligations repayable:		
Within one year	994,149	981,317
Between one and five years	<u>1,487,852</u>	<u>1,754,683</u>
	<u>2,482,001</u>	<u>2,736,000</u>
	Non-cancellable operating leases	
	2016 £	2015 £
Within one year	234,178	249,885
Between one and five years	582,980	448,642
In more than five years	<u>27,501</u>	<u>137,505</u>
	<u>844,659</u>	<u>836,032</u>

**Notes to the Financial Statements - continued  
for the Year Ended 30 September 2016**

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	2016	2015
	£	£
Bank overdraft	-	30,410
Bank loans	2,449,874	297,090
Hire purchase contracts	2,482,001	2,736,000
RBS Invoice Factoring Limited	<u>2,403,406</u>	<u>1,648,880</u>
	<u>7,335,281</u>	<u>4,712,380</u>

The Royal Bank of Scotland holds a bond and floating charge over the whole assets of the company together with cross guarantees between NWH Waste Services Limited and other group companies.

RBS Invoice Finance Ltd (RBSIF) hold a floating charge in relation to the purchased debts. RBSIF's floating charge shall insofar as it relates to the purchased debts, but no further or otherwise, rank in priority to the Bank's floating charge.

Hire purchase liabilities are secured over the assets they were used to acquire.

**18. PROVISIONS FOR LIABILITIES**

	2016	2015
	£	£
Deferred tax	<u>169,678</u>	<u>240,367</u>
		Deferred tax
		£
Balance at 1 October 2015		240,367
Credit to Income Statement during year		(64,145)
Prior year over provision		<u>(6,544)</u>
Balance at 30 September 2016		<u>169,678</u>

The deferred tax provisions relate entirely to accelerated capital allowances.

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2016	2015
Number:	Class:	Nominal value:	£	£
910,000	Ordinary	£1	<u>910,000</u>	<u>910,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2016

20. RESERVES

	Retained earnings £
At 1 October 2015	344,360
Profit for the year	<u>872,791</u>
At 30 September 2016	<u><u>1,217,151</u></u>

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following loans to directors subsisted during the years ended 30 September 2016 and 30 September 2015:

	2016 £	2015 £
<b>M P Williams</b>		
Balance outstanding at start of year	-	-
Amounts advanced	596,785	239,818
Amounts repaid	-	(239,818)
Transferred to NWH Waste Services Limited	(596,785)	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>
<b>C D Williams</b>		
Balance outstanding at start of year	-	-
Amounts advanced	2,501	5,627
Amounts repaid	-	(5,627)
Transferred to NWH Waste Services Limited	(2,501)	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>
<b>R A Williams</b>		
Balance outstanding at start of year	-	-
Amounts advanced	2,501	2,501
Amounts repaid	-	(2,501)
Transferred to NWH Waste Services Limited	(2,501)	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>

These loans are interest free and have no fixed date for repayment.

**Notes to the Financial Statements - continued  
for the Year Ended 30 September 2016**

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**22. RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption provided by Paragraph 33.1A of Financial Reporting Standard 102 and accordingly has not disclosed any transactions with group undertakings.

M Williams, C Williams and R Williams are controlling shareholders of The NWH Group Limited, the parent company.

At the period end the following related party balances were due to/(from) NWH Construction Services Limited:

	2016	2015
	£	£
City Haul Limited	(859,766)	(1,688,321)
Sandstone Products Limited	72,294	47,443

At the period end, the following related party balances, shown under trade debtors, were due to NWH Construction Services Limited:

	2016	2015
	£	£
City Haul Limited	1,665	3,497
Sandstone Products Limited	3,951	2,338

At the period end, the following related party balances, shown under trade creditors, were due from NWH Construction Services Limited:

	2016	2015
	£	£
City Haul Limited	-	7,558

During the period sales to related parties included:

	2016	2015
	£	£
City Haul Limited	4,451	54,051
Sandstone Products Limited	19,501	19,489

During the period costs to related parties included:

	2016	2015
	£	£
City Haul Limited	233,235	1,628,119

During the period under review, NWH Construction Services Limited invoiced management charges of £18,000 to Sandstone Products Ltd (2015: £18,000).

During the period under review, NWH Construction Services Limited incurred fees of £25,000 (2015: £31,250) to A & D Consulting Limited, a company in which J McCormick is a director. J McCormick is a director of The NWH Group Limited.



**23. ULTIMATE CONTROLLING PARTY**

The company is a 100% subsidiary of The NWH Group Ltd, a company registered in Scotland.

**NWH Construction Services Ltd (Registered number: SC263290)**

**Reconciliation of Equity**

**1 October 2014**

**(Date of Transition to FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Intangible assets		55,170	-	55,170
Tangible assets		<u>4,541,763</u>	<u>-</u>	<u>4,541,763</u>
		<u>4,596,933</u>	<u>-</u>	<u>4,596,933</u>
<b>CURRENT ASSETS</b>				
Stocks		30,508	-	30,508
Debtors		5,224,293	-	5,224,293
Cash in hand		<u>398</u>	<u>-</u>	<u>398</u>
		<u>5,255,199</u>	<u>-</u>	<u>5,255,199</u>
<b>CREDITORS</b>				
Amounts falling due within one year		<u>(6,111,842)</u>	<u>-</u>	<u>(6,111,842)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(856,643)</u>	<u>-</u>	<u>(856,643)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,740,290	-	3,740,290
<b>CREDITORS</b>				
Amounts falling due after more than one year		(2,486,558)	-	(2,486,558)
<b>PROVISIONS FOR LIABILITIES</b>		<u>(197,883)</u>	<u>-</u>	<u>(197,883)</u>
<b>NET ASSETS</b>		<u>1,055,849</u>	<u>-</u>	<u>1,055,849</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		910,000	-	910,000
Retained earnings		<u>145,849</u>	<u>-</u>	<u>145,849</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>1,055,849</u>	<u>-</u>	<u>1,055,849</u>

The notes form part of these financial statements

Reconciliation of Equity - continued  
30 September 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		<u>5,112,852</u>	-	<u>5,112,852</u>
<b>CURRENT ASSETS</b>				
Stocks		22,975	-	22,975
Debtors		<u>5,113,880</u>	-	<u>5,113,880</u>
		<u>5,136,855</u>	-	<u>5,136,855</u>
<b>CREDITORS</b>				
Amounts falling due within one year		<u>(6,463,742)</u>	-	<u>(6,463,742)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,326,887)</u>	-	<u>(1,326,887)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,785,965	-	3,785,965
<b>CREDITORS</b>				
Amounts falling due after more than one year		(2,291,238)	-	(2,291,238)
<b>PROVISIONS FOR LIABILITIES</b>		<u>(240,367)</u>	-	<u>(240,367)</u>
<b>NET ASSETS</b>		<u>1,254,360</u>	-	<u>1,254,360</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		910,000	-	910,000
Retained earnings		<u>344,360</u>	-	<u>344,360</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>1,254,360</u>	-	<u>1,254,360</u>

The notes form part of these financial statements

**Reconciliation of Profit  
for the Year Ended 30 September 2015**

	<b>UK GAAP £</b>	<b>Effect of transition to FRS 102 £</b>	<b>FRS 102 £</b>
<b>TURNOVER</b>	16,183,928	-	16,183,928
Cost of sales	(14,157,679)	-	(14,157,679)
<b>GROSS PROFIT</b>	2,026,249	-	2,026,249
Onerous contract costs	(1,250,000)	-	(1,250,000)
Administrative expenses	(1,432,046)	-	(1,432,046)
Other operating income	1,112,331	-	1,112,331
<b>OPERATING PROFIT</b>	456,534	-	456,534
Interest payable and similar expenses	(212,997)	-	(212,997)
<b>PROFIT BEFORE TAXATION</b>	243,537	-	243,537
Tax on profit	(45,026)	-	(45,026)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<u>198,511</u>	<u>-</u>	<u>198,511</u>

The notes form part of these financial statements