

Company Registration No. 01854872 (England and Wales)

HARPER GROUP PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

HARPER GROUP PLC

COMPANY INFORMATION

Directors	Miss V Overton Mr A Rees Mr M Harvey Mr P Mondon
Secretary	Miss V Overton
Company number	01854872
Registered office	Units 1 & 2 Bevan Industrial Estate Brierley Hill West Midlands DY5 3TF
Auditor	CK Audit No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH
Business address	Units 1 & 2 Bevan Industrial Estate Brierley Hill West Midlands DY5 3TF
Bankers	HSBC Bank Plc 31 Church Street Kidderminster Worcestershire West Midlands DY10 2AY

HARPER GROUP PLC

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HARPER GROUP PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The company is a parent company. The principal activities of the subsidiary undertakings are the provision of building contractor and development services delivering all construction types, including but not restricted to, commercial, industrial, leisure and retail, health, education, refurbishment, public buildings, affordable and private housing of all sizes under all procurement routes.

Directors

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

Miss V Overton
Mr A Rees
Mr M Harvey
Mr P Mondon

Results and dividends

The results for the year are set out on page 5.

Ordinary dividends were paid amounting to £20,000. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The auditor, CK Audit, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

Mr A Rees
Director
16 April 2019

HARPER GROUP PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

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 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;
- 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 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.

HARPER GROUP PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARPER GROUP PLC

Opinion

We have audited the financial statements of Harper Group Plc (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

HARPER GROUP PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HARPER GROUP PLC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

HARPER GROUP PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HARPER GROUP PLC

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Wendy Davies (Senior Statutory Auditor)
for and on behalf of CK Audit

16 April 2019

Chartered Accountants
Statutory Auditor

No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

HARPER GROUP PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Notes	£	£
Turnover	3	120,000	315,000
Administrative expenses		(84,348)	(175,823)
Operating profit	4	35,652	139,177
Interest receivable and similar income	8	-	1,412,000
Interest payable and similar expenses	9	(19,045)	(118,564)
Profit before taxation		16,607	1,432,613
Tax on profit	10	(3,155)	(2,018)
Profit for the financial year		13,452	1,430,595

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

HARPER GROUP PLC

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	13		1,932,154		1,932,154
Current assets					
Debtors	15	3,290		19,477	
Cash at bank and in hand		53,184		75,264	
		<u>56,474</u>		<u>94,741</u>	
Creditors: amounts falling due within one year	16	<u>(457,980)</u>		<u>(392,198)</u>	
Net current liabilities			<u>(401,506)</u>		<u>(297,457)</u>
Total assets less current liabilities			1,530,648		1,634,697
Creditors: amounts falling due after more than one year	17		<u>(914,557)</u>		<u>(1,012,057)</u>
Net assets			<u>616,091</u>		<u>622,640</u>
Capital and reserves					
Called up share capital	20		599,508		599,508
Capital redemption reserve	21		2,701		2,701
Profit and loss reserves	22		13,882		20,431
Total equity			<u>616,091</u>		<u>622,640</u>

The financial statements were approved by the board of directors and authorised for issue on 16 April 2019 and are signed on its behalf by:

Mr M Harvey
Director

Company Registration No. 01854872

HARPER GROUP PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2017		599,508	2,701	(732,982)	(130,773)
Year ended 31 December 2017:					
Profit and total comprehensive income for the year		-	-	1,430,595	1,430,595
Dividends	11	-	-	(677,182)	(677,182)
Balance at 31 December 2017		599,508	2,701	20,430	622,640
Year ended 31 December 2018:					
Profit and total comprehensive income for the year		-	-	13,452	13,452
Dividends	11	-	-	(20,000)	(20,000)
Balance at 31 December 2018		599,508	2,701	13,882	616,091

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Harper Group Plc is a private company limited by shares incorporated in England and Wales. The registered office is Units 1 & 2, Bevan Industrial Estate, Brierley Hill, West Midlands, DY5 3TF.

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 on the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the reduced disclosure exemptions for subsidiaries as follows:

- • The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- • The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A providing the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
- • The requirement of Section 33 Related Party Disclosures paragraph 33.7.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Harper Group Plc is a wholly owned subsidiary of Harper Group Management Limited and the results of Harper Group Plc are included in the consolidated financial statements of Harper Group Management Limited which are available from Units 1 & 2, Bevan Industrial Estate, Brierley Hill, West Midlands, DY5 3TF.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

1.4 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:

Fixtures, fittings & equipment	25% reducing balance
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HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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 credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.6 Cash at bank and in hand

Cash at bank and in hand 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.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with 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.

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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 company 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 company after deducting all of its liabilities.

Basic financial liabilities

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 payments 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 company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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 when the company has 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.

1.10 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.

1.11 Retirement benefits

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

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of investments

The directors have considered the valuation of the investment in subsidiaries. Judgement has been taken as to the future profitability of the subsidiary companies. The directors are satisfied that there is no impairment provision required.

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Turnover and other revenue

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

	2018 £	2017 £
Turnover analysed by class of business		
Management charges - Group	120,000	315,000
	<u> </u>	<u> </u>
	2018 £	2017 £
Other significant revenue		
Dividends received	-	1,412,000
	<u> </u>	<u> </u>

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	-	893
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	2,525	1,500
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	500	500
All other non-audit services	500	500
	<u> </u>	<u> </u>
	1,000	1,000
	<u> </u>	<u> </u>

6 Employees

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

	2018 Number	2017 Number
Administration	1	1
	<u> </u>	<u> </u>

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2018	2017
		£	£
	Wages and salaries	62,542	126,898
	Social security costs	7,602	15,913
	Pension costs	-	23,333
		<u>70,144</u>	<u>166,144</u>
		<u><u>70,144</u></u>	<u><u>166,144</u></u>
7	Directors' remuneration		
		2018	2017
		£	£
	Remuneration for qualifying services	62,542	126,898
	Company pension contributions to defined contribution schemes	-	23,333
		<u>62,542</u>	<u>150,231</u>
		<u><u>62,542</u></u>	<u><u>150,231</u></u>
8	Interest receivable and similar income		
		2018	2017
		£	£
	Income from fixed asset investments		
	Income from shares in group undertakings	-	1,412,000
		<u>-</u>	<u>1,412,000</u>
		<u><u>-</u></u>	<u><u>1,412,000</u></u>
9	Interest payable and similar expenses		
		2018	2017
		£	£
	Interest payable to group undertakings	17,045	20,564
	Other interest on financial liabilities	2,000	98,000
		<u>19,045</u>	<u>118,564</u>
		<u><u>19,045</u></u>	<u><u>118,564</u></u>
10	Taxation		
		2018	2017
		£	£
	Current tax		
	UK corporation tax on profits for the current period	3,155	2,018
		<u>3,155</u>	<u>2,018</u>
		<u><u>3,155</u></u>	<u><u>2,018</u></u>

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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

		2018 £	2017 £
Profit before taxation		16,607	1,432,613
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)		3,155	272,196
Tax effect of expenses that are not deductible in determining taxable profit		-	2,420
Tax effect of utilisation of tax losses not previously recognised		-	(4,344)
Effect of change in corporation tax rate		-	26
Dividend income		-	(268,280)
Taxation charge for the year		3,155	2,018
11 Dividends			
		2018 £	2017 £
Final paid		20,000	677,182
12 Tangible fixed assets			
			Fixtures, fittings & equipment £
Cost			
At 1 January 2018 and 31 December 2018			127,704
Depreciation and impairment			
At 1 January 2018 and 31 December 2018			127,704
Carrying amount			
At 31 December 2018			-
At 31 December 2017			-
13 Fixed asset investments			
	Notes	2018 £	2017 £
Investments in subsidiaries	14	1,932,154	1,932,154

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

13 Fixed asset investments (Continued)

Movements in fixed asset investments

Shares in group undertakings

£

Cost or valuation

At 1 January 2018 & 31 December 2018

1,932,154

Carrying amount

At 31 December 2018

1,932,154

At 31 December 2017

1,932,154

14 Subsidiaries

These financial statements are separate company financial statements for Harper Group Plc.

Separate company financial statements are required to be prepared by law. Consolidated financial statements for Harper Group Management Limited, the ultimate parent company, are prepared and publicly available.

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Harper Group Construction Limited	England and Wales	Civil engineering, construction and property development	Ordinary	100.00	
J Harper & Sons (Leominster) Limited	England and Wales	Civil engineering construction	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Harper Group Construction Limited	280,486	(282,381)
J Harper & Sons (Leominster) Limited	594,713	2,712,977

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

15 Debtors		2018	2017
		£	£
Amounts falling due within one year:			
Amounts owed by group undertakings		49	-
Prepayments and accrued income		3,241	19,477
		<u>3,290</u>	<u>19,477</u>
16 Creditors: amounts falling due within one year		2018	2017
		£	£
Trade creditors		21,743	36,846
Amounts owed to group undertakings		186,319	140,865
Corporation tax		3,152	2,018
Other taxation and social security		223,954	194,029
Other creditors		16,211	11,842
Accruals and deferred income		6,601	6,598
		<u>457,980</u>	<u>392,198</u>
17 Creditors: amounts falling due after more than one year		2018	2017
	Notes	£	£
Other borrowings	18	<u>914,557</u>	<u>1,012,057</u>
18 Loans and overdrafts		2018	2017
		£	£
Loans from group undertakings		<u>914,557</u>	<u>1,012,057</u>
Payable after one year		<u>914,557</u>	<u>1,012,057</u>

The loan from a subsidiary undertaking is subject to a formal loan agreement with the following terms:

- Repayment £8,125 per month
- Interest 1% per annum above base
- Term 20 years from 8 December 2016

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

19 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	-	23,333

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
678 Ordinary shares of £1 each	678	678
	678	678
Preference share capital		
Issued and fully paid		
598,830 Deferred shares of £1 each	598,830	598,830
	598,830	598,830

The Deferred £1 shares are entitled to an aggregate cash dividend of £1 in a period only after a dividend of not less than £10,000,000 has been distributed to holders of the £1 ordinary shares.

On a return of assets on liquidation, these non-equity shareholders would be entitled to receive the sum of 1p per share subject to the holders of the ordinary shares first having received the sum of £1,000 per share.

The non-equity shareholders have no rights to receive notice of or attend or vote at General Meetings of the Company.

21 Capital redemption reserve

	2018	2017
	£	£
At the beginning and end of the year	2,701	2,701

HARPER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

22 Profit and loss reserves

	2018 £	2017 £
At 1 January 2018	20,430	(732,982)
Profit for the year	13,452	1,430,595
Dividends	(20,000)	(677,182)
	<hr/>	<hr/>
At 31 December 2018	13,882	20,430
	<hr/>	<hr/>

23 Financial commitments, guarantees and contingent liabilities

The company is party to unlimited guarantees and cross guarantees with other group companies to secure overdraft facilities of the group. The amount owing by other group companies under such guarantees at 31 December 2018 was £nil (2017 £nil).

24 Controlling party

The directors regard Harper Group Management Limited, a company registered in England and Wales, as the ultimate controlling party.

Harper Group Management Limited is the parent undertaking of the largest and only group of which the company is a member and for which group financial statements are drawn up. Group financial statements and copies can be obtained from Units 1 & 2, Bevan Industrial Estate, Brierley Hill, West Midlands, DY5 3TF.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.