

# STATUTORY COPY

Company Registration No. 00667598 (England and Wales)

**CLEGG CONSTRUCTION LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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# **CLEGG CONSTRUCTION LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	T B Walker K Anderson S Blackburn S C Wesson	(Appointed 7 March 2016)
<b>Secretary</b>	G J Russell	
<b>Company number</b>	00667598	
<b>Registered office</b>	Bishops House 42 High Pavement The Lace Market Nottingham NG1 1HN	
<b>Auditor</b>	UHY Hacker Young 14 Park Row Nottingham NG1 6GR	
<b>Bankers</b>	Lloyds Bank Plc Old Market Square Nottingham NG1 6FD	
<b>Solicitors</b>	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ	

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# **CLEGG CONSTRUCTION LIMITED**

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# **CLEGG CONSTRUCTION LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present the strategic report for the year ended 31 December 2016.

### **Principal activity**

The principal activity of the company and the group during the year was that of builders and civil engineering contractors.

### **Business Review**

2016 saw a decrease in turnover, although gross margin improved, such that overall operating profit was flat. There was continued pressure on supply chain resources.

### **Principal risks and uncertainties**

The group aims to minimise risks and uncertainties to the level of the market place in which it operates and achieve this through internal controls and review procedures.

The group makes sales and applications for payment on normal credit terms and manage related risks through its credit control procedures. The company does not hedge interest payments on any of its borrowings.

### **Key performance indicators**

The directors use a range of key performance indicators to evaluate the performance of the business. Of these, the level of sales and gross profit are the key factors. The directors are happy to report an improved gross profit margin compared with the prior year at 4.0% of sales (2015-3.0%).

By order of the board



.....  
G J Russell

Secretary

.....28.9.17

# **CLEGG CONSTRUCTION LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their annual report and financial statements for the year ended 31 December 2016.

#### **Directors**

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

T B Walker	(Appointed 7 March 2016)
K Anderson	
S Blackburn	
S C Wesson	
J R Ankers	(Resigned 31 May 2016)
R A Crowcroft	(Resigned 11 October 2016)

#### **Results and dividends**

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

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### **Future developments**

The group is anticipating 2017 trading to be similar to 2016 levels, however the prospects for 2018 look particularly strong, with a number of new clients in both private and public sector.

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

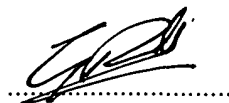
#### **Auditor**

UHY Hacker Young were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

By order of the board



G J Russell

Secretary

28.9.17

## **CLEGG CONSTRUCTION LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF CLEGG CONSTRUCTION LIMITED**

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We have audited the financial statements of Clegg Construction Limited for the year ended 31 December 2016 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 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, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF CLEGG CONSTRUCTION LIMITED**

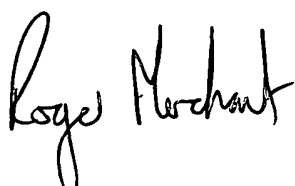
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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Roger Merchant (Senior Statutory Auditor)**  
for and on behalf of UHY Hacker Young

28/9/17

**Chartered Accountants**  
**Statutory Auditor**



**CLEGG CONSTRUCTION LIMITED****GROUP STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2016**

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		<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	41,442,469	47,655,559
Cost of sales		(39,717,815)	(46,217,819)
		<hr/>	<hr/>
<b>Gross profit</b>		1,724,654	1,437,740
Administrative expenses		(1,616,906)	(1,324,566)
		<hr/>	<hr/>
<b>Operating profit</b>	<b>4</b>	107,748	113,174
Interest receivable and similar income	<b>8</b>	2,860	6,961
		<hr/>	<hr/>
<b>Profit before taxation</b>		110,608	120,135
Taxation	<b>9</b>	(29,166)	(9,115)
		<hr/>	<hr/>
<b>Profit for the financial year</b>	<b>18</b>	81,442	111,020
		<hr/> <hr/>	<hr/> <hr/>

Profit for the financial year is all attributable to the owners of the parent company.

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

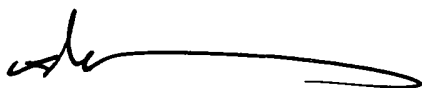
# CLEGG CONSTRUCTION LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	10		1,855,208		1,867,811
<b>Current assets</b>					
Debtors	13	14,937,867		15,737,313	
Cash at bank and in hand		2,731,291		1,361,019	
		<u>17,669,158</u>		<u>17,098,332</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(11,438,142)</u>		<u>(10,963,314)</u>	
<b>Net current assets</b>			6,231,016		6,135,018
<b>Total assets less current liabilities</b>			8,086,224		8,002,829
<b>Provisions for liabilities</b>	15		(111,255)		(109,302)
<b>Net assets</b>			<u>7,974,969</u>		<u>7,893,527</u>
<b>Capital and reserves</b>					
Called up share capital	17		30,870		30,870
Share premium account	18		178		178
Revaluation reserve	18		1,149,636		1,149,636
Capital redemption reserve	18		81,000		81,000
Profit and loss reserves	18		6,713,285		6,631,843
<b>Total equity</b>			<u>7,974,969</u>		<u>7,893,527</u>

The financial statements were approved by the board of directors and authorised for issue on 28.9.17 and are signed on its behalf by:



K Anderson  
Director

# CLEGG CONSTRUCTION LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	10	1,855,208		1,867,811	
Investments	11		1		1
		<u>1,855,209</u>		<u>1,867,812</u>	
<b>Current assets</b>					
Debtors	13	12,799,878		14,990,412	
Cash at bank and in hand		<u>2,712,020</u>		<u>1,360,019</u>	
		15,511,898		16,350,431	
<b>Creditors: amounts falling due within one year</b>	14	<u>(10,000,233)</u>		<u>(10,909,309)</u>	
<b>Net current assets</b>		<u>5,511,665</u>		<u>5,441,122</u>	
<b>Total assets less current liabilities</b>		<u>7,366,874</u>		<u>7,308,934</u>	
<b>Provisions for liabilities</b>	15	<u>(111,255)</u>		<u>(109,302)</u>	
<b>Net assets</b>		<u><u>7,255,619</u></u>		<u><u>7,199,632</u></u>	
<b>Capital and reserves</b>					
Called up share capital	17	30,870		30,870	
Share premium account	18	178		178	
Revaluation reserve	18	1,149,636		1,149,636	
Capital redemption reserve	18	81,000		81,000	
Profit and loss reserves	18	<u>5,993,935</u>		<u>5,937,948</u>	
<b>Total equity</b>		<u><u>7,255,619</u></u>		<u><u>7,199,632</u></u>	

**CLEGG CONSTRUCTION LIMITED**

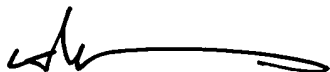
**COMPANY BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2016**

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As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £55,987 (2015 - £112,020 profit).

The financial statements were approved by the board of directors and authorised for issue on 28.9.17 and are signed on its behalf by:



.....  
K Anderson  
**Director**

**Company Registration No. 00667598**

**CLEGG CONSTRUCTION LIMITED**

**GROUP STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Share capital £	Share premium account £	Revaluatio n reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2015</b>	30,870	178	1,149,636	81,000	6,520,823	7,782,507
<b>Year ended 31 December 2015:</b>						
Profit and total comprehensive income for the year	-	-	-	-	111,020	111,020
<b>Balance at 31 December 2015</b>	30,870	178	1,149,636	81,000	6,631,843	7,893,527
<b>Year ended 31 December 2016:</b>						
Profit and total comprehensive income for the year	-	-	-	-	81,442	81,442
<b>Balance at 31 December 2016</b>	30,870	178	1,149,636	81,000	6,713,285	7,974,969

**CLEGG CONSTRUCTION LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Share capital £	Share premium account £	Revaluatio n reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2015</b>	30,870	178	1,149,636	81,000	5,825,928	7,087,612
<b>Year ended 31 December 2015:</b>						
Profit and total comprehensive income for the year	-	-	-	-	112,020	112,020
<b>Balance at 31 December 2015</b>	30,870	178	1,149,636	81,000	5,937,948	7,199,632
<b>Year ended 31 December 2016:</b>						
Profit and total comprehensive income for the year	-	-	-	-	55,987	55,987
<b>Balance at 31 December 2016</b>	30,870	178	1,149,636	81,000	5,993,935	7,255,619

# **CLEGG CONSTRUCTION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1 Accounting policies**

#### **Company information**

Clegg Construction Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Bishops House, 42 High Pavement, The Lace Market, Nottingham, NG1 1HN.

The group consists of Clegg Construction Limited and all of its subsidiaries.

#### **1.1 Accounting convention**

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

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

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The information is included in the consolidated financial statements of Clegg Holdings Limited as at 31 December 2015 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

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

All financial statements are made up to 31 December 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

# CLEGG CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

##### 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

Revenue comprises of the value of contracting work executed during the year plus the invoiced value of other sales. The value of contracted work is based on measured valuations, incorporating profit earned to the valuation date, taking into account cost to completion and any anticipated losses.

The amount by which recorded revenue on uncompleted contracts is in excess of payments on account is classified as amounts recoverable on contracts and separately disclosed in debtors.

Cash received on account of contracts is deducted from amounts recoverable on contracts, Such amounts which have been received and exceed amounts recoverable are included in creditors.

##### 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:

Freehold buildings	8 to 50 years
Plant and equipment	3 to 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

##### 1.5 Fixed asset investments

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

##### 1.6 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.



# CLEGG CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

##### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.8 Financial instruments

The group 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.

##### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

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

# CLEGG CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 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.

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.

##### **1.10 Retirement benefits**

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

##### **1.11 Leases**

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

# CLEGG CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### **Critical judgements**

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

##### **Long term contracts**

The group uses the percentage-of-completion method in accounting for its construction contracts. Use of the percentage of completion method requires the group to estimate the construction performed to date as a proportion of the total construction to be performed. The estimation of the revenue and profit recognition by reference to the stage of completion can involve considerable judgement around future margins.

The group reviews these estimates and assumptions as each contract progresses. To the extent that the amounts receivable on the contracts are different to the amounts recorded such differences will impact revenue and cost of sales in the period in which such determination is made.

#### 3 Turnover and other revenue

The whole of the turnover is attributable to one class of business.

All turnover arose within the United Kingdom.

#### 4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	32,556	31,000
Profit on disposal of tangible fixed assets	-	(18,175)
Operating lease charges	133,486	122,595
	<u>          </u>	<u>          </u>

# CLEGG CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 5 Auditor's remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	12,000	12,000

#### 6 Employees

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

	Group 2016 Number	2015 Number	Company 2016 Number	2015 Number
Building	22	18	22	18
Administration	28	28	28	28
	50	46	50	46

Their aggregate remuneration comprised:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Wages and salaries	2,424,587	2,125,629	2,424,587	2,125,629
Social security costs	292,282	227,812	292,282	227,812
Pension costs	177,483	143,389	177,483	143,389
	2,894,352	2,496,830	2,894,352	2,496,830

#### 7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	238,513	153,750
Company pension contributions to defined contribution schemes	28,902	17,010
	267,415	170,760

# CLEGG CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 7 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2015 - 4).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	90,794	92,000
Company pension contributions to defined contribution schemes	17,145	18,000
	<u>          </u>	<u>          </u>

#### 8 Interest receivable and similar income

	2016	2015
	£	£
<b>Interest income</b>		
Interest on bank deposits	2,860	6,961
	<u>          </u>	<u>          </u>

#### 9 Taxation

	2016	2015
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	1,392
Group tax relief	25,213	-
	<u>          </u>	<u>          </u>
Total current tax	25,213	1,392
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	3,953	7,723
	<u>          </u>	<u>          </u>
Total tax charge	29,166	9,115
	<u>          </u>	<u>          </u>

# CLEGG CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 9 Taxation

(Continued)

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

	2016 £	2015 £
Profit before taxation	110,608	120,135
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	22,122	24,027
Tax effect of expenses that are not deductible in determining taxable profit	1,921	4,200
Permanent capital allowances in excess of depreciation	5,657	-
Other non-reversing timing differences	(1,729)	-
Deferred tax adjustments in respect of prior years	1,195	-
Indexation on revaluation reserve	-	(19,112)
Tax expense for the year	29,166	9,115

#### Factors that may affect future tax charges

The chancellor or the Exchequer announced, in the 2015 summer budget, that the corporation tax rate would be reduced to 20% from 1 April 2015 and their effect is recognised in these financial statements. Further reductions have reduced the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. These further reductions were substantively enacted on 26 October 2015 and their effect is recognised in these financial statements.

**CLEGG CONSTRUCTION LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2016****10 Tangible fixed assets**

<b>Group</b>	<b>Freehold buildings £</b>	<b>Plant and equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 January 2016	2,074,253	199,968	2,274,221
Additions	6,000	13,953	19,953
Disposals	-	(154,879)	(154,879)
At 31 December 2016	2,080,253	59,042	2,139,295
<b>Depreciation and impairment</b>			
At 1 January 2016	212,000	194,410	406,410
Depreciation charged in the year	28,283	4,273	32,556
Eliminated in respect of disposals	-	(154,879)	(154,879)
At 31 December 2016	240,283	43,804	284,087
<b>Carrying amount</b>			
At 31 December 2016	1,839,970	15,238	1,855,208
At 31 December 2015	1,862,253	5,558	1,867,811

# CLEGG CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

10 Tangible fixed assets		(Continued)		
Company	Freehold buildings £	Plant and equipment £	Total £	
<b>Cost or valuation</b>				
At 1 January 2016	2,074,253	199,968	2,274,221	
Additions	6,000	13,953	19,953	
Disposals	-	(154,879)	(154,879)	
At 31 December 2016	2,080,253	59,042	2,139,295	
<b>Depreciation and impairment</b>				
At 1 January 2016	212,000	194,410	406,410	
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Eliminated in respect of disposals	-	(154,879)	(154,879)	
At 31 December 2016	240,283	43,804	284,087	
<b>Carrying amount</b>				
At 31 December 2016	1,839,970	15,238	1,855,208	
At 31 December 2015	1,862,253	5,558	1,867,811	

The freehold property was valued at £2,074,000 on an open market existing use basis on 17 September 2013 by NL3 Limited, construction and property consultants, and the revaluation was incorporated into the financial statements in line with the transitional provisions of FRS 102 and treated the valuation as deemed cost on transition to FRS 102 on 1 January 2014.

If the Land and buildings had not been included at the valuation, they would have been included under the historical cost convention as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Cost	1,019,000	1,019,000	1,019,000	1,019,000
Accumulated depreciation	335,283	307,000	335,283	307,000
Carrying value	683,717	712,000	683,717	712,000



# CLEGG CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 11 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	12	-	-	1	1

#### Movements in fixed asset investments

##### Company

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 1 January 2016 and 31 December 2016

1

#### Carrying amount

At 31 December 2016

1

At 31 December 2015

1

#### 12 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Clegg Accommodation Limited	United Kingdom	Builders and Civil Engineering Contractors	Ordinary	100.00	

**CLEGG CONSTRUCTION LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2016****13 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	3,293,256	3,888,375	2,598,924	3,717,374
Amounts recoverable on long term contracts	2,316,119	1,751,000	2,316,119	1,751,000
Corporation tax recoverable	34,001	143,377	34,001	143,377
Amount due from parent undertaking	6,510,437	6,845,721	5,076,207	6,271,171
Other debtors	2,784,054	3,108,840	2,774,627	3,107,490
	<u>14,937,867</u>	<u>15,737,313</u>	<u>12,799,878</u>	<u>14,990,412</u>

Included within trade debtors is an amount of £358,302 (2015: £337,545) relating to retentions due over 1 year.

**14 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Payments received on account	-	1,778,000	-	1,778,000
Trade creditors	9,515,892	8,110,000	8,872,022	8,078,000
Amounts due to group undertakings	672,889	680,239	672,889	665,689
Corporation tax payable	5,455	5,455	-	-
Other taxation and social security	375,396	304,560	368,143	304,560
Other creditors	545,361	40,742	45,361	40,742
Accruals and deferred income	323,149	44,318	41,818	42,318
	<u>11,438,142</u>	<u>10,963,314</u>	<u>10,000,233</u>	<u>10,909,309</u>

# CLEGG CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

<b>Group</b>	<b>Liabilities 2016 £</b>	<b>Liabilities 2015 £</b>
Accelerated capital allowances	21,756	21,499
Tax losses	-	(1,696)
Revaluations	89,499	89,499
	<u>111,255</u>	<u>109,302</u>
	<u><u>111,255</u></u>	<u><u>109,302</u></u>
<b>Company</b>	<b>Liabilities 2016 £</b>	<b>Liabilities 2015 £</b>
Accelerated capital allowances	21,756	21,499
Tax losses	-	(1,696)
Revaluations	89,499	89,499
	<u>111,255</u>	<u>109,302</u>
	<u><u>111,255</u></u>	<u><u>109,302</u></u>
<b>Movements in the year:</b>	<b>Group 2016 £</b>	<b>Company 2016 £</b>
Liability at 1 January 2016	109,302	109,302
Charge to profit or loss	1,953	1,953
	<u>111,255</u>	<u>111,255</u>
	<u><u>111,255</u></u>	<u><u>111,255</u></u>

# CLEGG CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 16 Retirement benefit schemes

	2016	2015
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	177,483	143,389

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

#### 17 Share capital

	Group and company	
	2016	2015
Ordinary share capital	£	£
Issued and fully paid		
30,870 Ordinary Shares of £1 each	30,870	30,870

#### 18 Reserves

##### Share premium

Includes the premium on issue of equity shares, net of any issue costs.

##### Revaluation reserve

The revaluation reserve arose on past revaluations of freehold properties.

##### Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

##### Profit and loss reserves

Profit and loss account represents cumulative profit or losses, net of dividends paid and other adjustments.

# CLEGG CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 19 Operating lease commitments

##### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	44,063	57,340	44,063	57,340
Between two and five years	15,355	48,017	15,355	48,017
	<u>59,418</u>	<u>105,357</u>	<u>59,418</u>	<u>105,357</u>

#### 20 Controlling party

The company is subsidiary of Clegg Group Limited.

The parent undertaking of the smallest group for which consolidated accounts are prepared is Clegg Group Limited. Consolidated accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The parent undertaking of the largest group for which consolidated accounts are prepared is Clegg Holdings Ltd. Consolidated accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

In the opinion of the directors this is the company's ultimate parent company. Clegg holdings Limited is controlled by its directors, who own the equity of the business between them.