Registered number: 2565379

ERIC WRIGHT CIVIL ENGINEERING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

COMPANY INFORMATION

DIRECTORS	RE Wright JP Hartley ED Bourne AJ Taylor CW Kippax ND Whittle (resigned 1 January 2016) KS Taylor (resigned 1 January 2016) S Pygott (resigned 1 January 2016) JF Carter (resigned 1 January 2016)
COMPANY SECRETARY	M Kumar
REGISTERED NUMBER	2565379
REGISTERED OFFICE	Sceptre House Sceptre Way Bamber Bridge Preston PR5 6AW
INDEPENDENT AUDITOR	KPMG LLP Edward VII Quay Ashton on Ribble Preston Lancashire PR2 2YF

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

INTRODUCTION
The principal activities of the Company in the year under review were that of building, civil engineering and mechanical & electrical (to the water industry) contracting.

BUSINESS REVIEW
The results for the year and financial position of the Company ("EWCE") are as shown in the financial statements.

Throughout 2015 the business has continued to build on its reputation for working closely with our clients to meet their objectives in a true partnership arrangement. Our clients include national and statutory bodies such as United Utilities, Scottish Water, Severn Trent Water, BAE, Highways England, Local Authorities and a number of private clients and developers.

The management team have continued to review its processes for identification and management of both risk and opportunity to provide a stronger and stable foundation for the business going forward.
We have continued to invest in our accreditations and industry memberships. We believe that these provide independent verification of our professional management systems and continuous improvement objectives and achievements.

EWCE is an active member of the Civil Engineering Contractors Association; the Company is also an approved Construction online contractor and registered with Achilles Linkup for Rail work. In respect of the Rail sector, EWCE hold a Full Principal Contractors Licence allowing EWCE to undertake works directly for Network Rail EWCE are also accredited to NICEIC, Achilles Utility Vendor Database, Link-Up, Verify and the Contractors Health and Safety Scheme.

Performance and development during the year
Workload trends continued to improve, most noticeably in the infrastructure business unit whilst margins and profitability remain challenging. The trend of improved opportunities and work winning has continued strongly into 2015. The work stream also delivers the same capabilities to our rail clients with specialist safety critical roles now in place and a significant number of employees qualified to work on the rail infrastructure.
2015 continued to be a strong year for the water team working for five key water clients namely:

United Utilities on the on the Asset Management Support Framework both CAT A (minor works up to £50k) and CAT B (planned maintenance £50k - £500k).

Severn Trent on their Asset Managemnt Support Framework.

Scottish Water where we have two bases, Dumfries and Coatbridge, working on their E, M and I and Rural frameworks.

Yorkshire Water on their new MEICA framework This is a new client for 2015 and a further opportunity for growth in the water team.

C2V+. Again a new relationship where we are the M&E supply chain partner for the JV between CH2MHill and Volker Stevin working on the AMP 6 programme for United Utilities.

The Company's ongoing operations showed an increase in the year with a turnover of £41.7m *(2014 - £28.3m)* and profit before tax of £13,165 *(2014 - £119,250)*. Commercially 2015 has again been a difficult trading year, margins in infrastructure have been low and competition high. The results are within the Boards projections and targets for the year and reflect the extremely difficult market conditions.

The management of the Company will continue to take a strategic approach to risk whilst trading through the current difficult times and not chase work volume at the expense of financial stability. The strengthening of operations in specialist market sectors, as noted earlier in this review, will reduce the impact from any public spending cuts.

STRATEGIC REPORT (continued)

The Company's long term objective is to achieve a positive net return for both its Infrastructure /Rail business alongside the Water business. During 2015 we took the decision to separate the management of these work streams restructuring the boards. This was completed in January 2016.

The Infrastructure/Rail business performance is reviewed in the context of the increasingly difficult competitive market we operate in. With the current order book, a small loss for 2016 is projected. The target is monitored on a monthly basis to take into account contract performance, delayed awards and outstanding turnover.
The water business projections are for initial growth in 2016 following the development of new relationships with C2V+ and Yorkshire Water.

The monitoring and review process for both businesses is part of a wider management accounting procedure which also addresses overhead expenditure, resource allocation and commercial opportunities. Cash collection also remains a key focus for management with regular reports circulated and actions taken to address outstanding amounts. Of similar importance is the cash flow down to our supply chain as we need to support their stability in order that they remain in the market and continue to provide quality service to the company. Failure of key supply chain members is an on-going risk in the current climate.

PRINCIPAL RISKS AND UNCERTAINTIES
The Infrastructure business unit continues to operate in a very competitive market particularly with public sector clients who continue to be affected by public sector austerity resulting in low margins.
Rail is a potential growth area for the company although the number of work opportunities direct for network rail has been disappointing. To support the business we have developed relationships with key Tier 1 rail contractors and worked on some key projects as a supply chain partner.
The Water business unit, primary clients are the water companies where we can be affected by their procurement requirements.

FINANCIAL KEY PERFORMANCE INDICATORS
The directors monitor key performance indicators to ensure they are within acceptable parameters. These include;

- Gross and net profit percentage by contract
- Turnover secured against target
- Health and safety indicators
- Contract delivery performance and aftercare service
- Quality indicators

Targets are established as an integral part of the annual business planning process. Progress against targets is monitored monthly at Group board level.

POSTION AT THE END OF THE YEAR
EWCE turnover projection for 2016 is in the order of £17.5m, although management are committed to secure these levels of work, focus will remain on ensuring that levels of risk inherent in each opportunity are properly identified and managed.

This report was approved by the board on 12 July 2016 and signed on its behalf.

E Diane Bourne

ED Bourne
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors present their report and the financial statements for the year ended 31 December 2015.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £18,638 *(2014 - £107,088)*.

No dividends were distributed for the year ended 31 December 2015 *(2014: £nil)*

DIRECTORS

The Directors who served during the year were:

RE Wright
JP Hartley
ED Bourne
AJ Taylor
CW Kippax
ND Whittle (resigned 1 January 2016)
KS Taylor (resigned 1 January 2016)
S Pygott (resigned 1 January 2016)
JF Carter (resigned 1 January 2016)

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

POST BALANCE SHEET EVENTS

From 1st January 2016 the water division operations have been transferred to Eric Wright Water Limited, this transfer will result in a reduction in turnover and work in progress in the 2016 financial statements.

AUDITOR

The auditor, KPMG LLP, will be deemed to be reappointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board on 12 July 2016 and signed on its behalf.

E Diane Bourne

ED Bourne
Director

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless 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 judgments 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; and
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERIC WRIGHT CIVIL ENGINEERING LIMITED

We have audited the financial statements of Eric Wright Civil Engineering Limited for the year ended 31 December 2015, set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 set out on page 4, 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 Financial Reporting Council's website at 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 Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERIC WRIGHT CIVIL ENGINEERING LIMITED

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.

Richard Evans (Senior statutory auditor)

for and on behalf of
KPMG LLP

Edward VII Quay
Ashton on Ribble
Preston
Lancashire
PR2 2YF
Date: 15 July 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	*2014 £*
Turnover	3	**41,742,253**	*28,340,683*
Cost of sales		**(39,561,618)**	*(26,103,103)*
Gross profit		**2,180,635**	*2,237,580*
Administrative expenses		**(2,170,741)**	*(2,122,775)*
Operating profit	4	**9,894**	*114,805*
Interest receivable and similar income	7	**3,271**	*4,445*
Profit before tax		**13,165**	*119,250*
Tax on profit	8	**5,473**	*(12,162)*
Profit for the year		**18,638**	*107,088*
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**18,638**	*107,088*

The notes on pages 10 to 22 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note		2015 £		*2014 £*
Fixed assets					
Tangible assets	9		**56,302**		*80,509*
Investments	10		**2,179,202**		*2,179,202*
			2,235,504		*2,259,711*
Current assets					
Debtors: amounts falling due after more than one year	11	**26,625**		*50,491*	
Debtors: amounts falling due within one year	11	**8,162,678**		*10,035,506*	
Cash at bank and in hand	12	**1,666**		*2,533*	
		8,190,969		*10,088,530*	
Creditors: amounts falling due within one year	13	**(8,300,772)**		*(10,236,243)*	
Net current liabilities			**(109,803)**		*(147,713)*
Total assets less current liabilities			**2,125,701**		*2,111,998*
Provisions for liabilities					
Deferred tax		**-**		*(4,935)*	
			-		*(4,935)*
Net assets			**2,125,701**		*2,107,063*
Capital and reserves					
Called up share capital	15		**1,000**		*1,000*
Profit and loss account			**2,124,701**		*2,106,063*
Shareholders' funds			**2,125,701**		*2,107,063*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 July 2016

E Diane Bourne

ED Bourne
Director

The notes on pages 10 to 22 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2015	1,000	2,106,063	2,107,063
Comprehensive income for the year			
Profit for the year	-	18,638	18,638
Total comprehensive income for the year	-	18,638	18,638
At 31 December 2015	1,000	2,124,701	2,125,701

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2014

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2014	1,000	1,998,975	1,999,975
Comprehensive income for the year			
Profit for the year	-	107,088	107,088
Total comprehensive income for the year	-	107,088	107,088
At 31 December 2014	1,000	2,106,063	2,107,063

The notes on pages 10 to 22 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Eric Wright Civil Engineering Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 18.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

1.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Henmead Limited as at 31 December 2015 and these financial statements may be obtained from Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ. The company is a qualifying entity.

The accounting policies set out below have, unless otherwise stated been applied consistently to periods presented in these statements.

1.3 Going concern

At 31 December 2015 Eric Wright Civil Engineering Limited ("the company") had net current liabilities of £109,803 *(2014 - £147,713)*.

The directors have received confirmation from the ultimate parent company (Henmead Limited) that it has sufficient funds and is willing to provide financing to the extent necessary for the company to continue to trade and to pay its liabilities as and when they become due, for the next 12 months and thereafter for the foreseeable future.

On the basis of the assessment outlined above the directors have a reasonable expectation that, having considered the current trading prospects, identifiable risks, working capital requirements and the availability of finance, the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing these financial statements.

1. ACCOUNTING POLICIES (continued)

1.4 Revenue

Turnover, which is stated net of VAT, represents the value of work done in the year including estimates of amounts not invoiced and adjustments relating to prior years which have been agreed during the year.

1.5 Long term contracts and amounts recoverable on contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Depreciation is provided on the following bases:

Plant and machinery	-	20% on reducing balance
Motor vehicles	-	25% on reducing balance
Fixtures and fittings	-	20% on reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

1.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1. ACCOUNTING POLICIES (continued)

1.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.11 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

1.12 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

1. ACCOUNTING POLICIES (continued)

1.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Profits on long term contracts are recognised based on the percentage complete and the estimated project outcome. Provision is made for any losses as soon as they are foreseen.

Investments held within a subsidiary company have been stated at cost, based on trading projections this is less than the expected discounted cashflows to be generated by the subsidiary.

3. ANALYSIS OF TURNOVER

An analysis of turnover by class of business is as follows:

	2015	2014
	£	£
Building and construction services	**41,742,253**	*28,340,683*

All turnover arose within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	21,672	17,861
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	5,700	5,500

Fees in relation to other services and taxation are borne by Eric Wright Group Limited,

5. EMPLOYEES

Staff costs, including Directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	3,944,552	3,801,069
Social security costs	435,705	417,259
Cost of defined contribution scheme	331,780	259,193
	4,712,037	4,477,521

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

	2015 No.	2014 No.
Administration	50	61
Construction	26	38
	76	99

6. DIRECTORS' REMUNERATION

	2015 £	*2014 £*
Directors' emoluments	423,287	*408,256*
Company contributions to defined contribution pension schemes	69,745	*52,784*
	493,032	*461,040*

During the year retirement benefits were accruing to 5 Directors *(2014 - 5)* in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £98,795 *(2014 - £96,350)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £15,507 *(2014 - £12,283)*.

7. INTEREST RECEIVABLE

	2015 £	*2014 £*
Other interest receivable	3,271	*4,445*

8. TAXATION

	2015 £	*2014 £*
Corporation tax		
Current tax on profits for the year	34	*1,538*
Deferred tax		
Origination and reversal of timing differences	(4,977)	*10,624*
Change in tax rate	(490)	*-*
Prior year adjustments	(40)	*-*
Total deferred tax (credit)/charge	**(5,507)**	*10,624*
Taxation on profit on ordinary activities	**(5,473)**	*12,162*

8. TAXATION (continued)

FACTORS AFFECTING TAX (CREDIT)/CHARGE FOR THE YEAR

The tax assessed for the year is lower than *(2014 - lower)* the standard rate of corporation tax in the UK of 20.25% *(2014 - 21.49%)*. The differences are explained below:

	2015 £	*2014 £*
Profit on ordinary activities before tax	**13,165**	*119,250*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	**2,666**	*25,627*
Effects of:		
Expenses not deductible for tax purposes	**101**	*137*
Adjustments to tax charge in respect of prior periods	**(40)**	*-*
Group relief surrendered/(claimed)	**1,695**	*(12,819)*
Impact of change in deferred tax rates and difference between current and deferred tax rates	**(9,895)**	*(783)*
Total tax (credit)/charge for the year	**(5,473)**	*12,162*

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 December 2015 has been calculated based on these rates. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

9. TANGIBLE FIXED ASSETS

	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January 2015	46,668	50,717	161,892	259,277
Additions	-	-	5,999	5,999
Disposals	(3,078)	(9,729)	(62,495)	(75,302)
At 31 December 2015	43,590	40,988	105,396	189,974
Depreciation				
At 1 January 2015	38,490	8,873	131,405	178,768
Charge for the period	1,581	9,743	10,348	21,672
Disposals	(3,536)	(2,792)	(60,440)	(66,768)
At 31 December 2015	36,535	15,824	81,313	133,672
At 31 December 2015	7,055	25,164	24,083	56,302
At 31 December 2014	*8,178*	*41,844*	*30,487*	*80,509*

10. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies
	£
Cost	
At 31 December 2015 and 31 December 2014	2,179,202

10. FIXED ASSET INVESTMENTS (continued)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Eric Wright Water Limited	England & Wales	Ordinary	100 %	Electrical and mechanical engineering

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit for year £
	(637,669)	**59,893**
	(637,669)	**59,893**

11. DEBTORS

	2015 £	*2014 £*
Due after more than one year		
Amounts due from group companies	**26,625**	*50,491*

	2015 £	*2014 £*
Due within one year		
Trade debtors	**2,090,034**	*2,960,670*
Amounts owed by group undertakings	**961,657**	*1,284,342*
Other debtors	**193,705**	*18,959*
Prepayments and accrued income	**66,718**	*66,409*
Amounts recoverable on long term contracts	**4,849,992**	*5,705,126*
Deferred taxation	**572**	-
	8,162,678	*10,035,506*

12. CASH AND CASH EQUIVALENTS

	2015 £	*2014 £*
Cash at bank and in hand	1,666	*2,533*
Bank overdrafts	(1,376,336)	*(3,884,841)*

13. CREDITORS: Amounts falling due within one year

	2015 £	*2014 £*
Bank overdrafts	1,376,336	*3,884,841*
Payments received on account	661,810	*428,682*
Trade creditors	5,279,389	*5,470,035*
Amounts owed to group undertakings	653,043	*220,985*
Taxation and social security	195,142	*109,722*
Other creditors	28,856	*28,958*
Accruals and deferred income	106,196	*93,020*
	8,300,772	*10,236,243*

14. DEFERRED TAXATION

	Deferred tax asset/ (liability) £
At 1 January 2015	(4,935)
Credited to the profit or loss	5,507
At 31 December 2015	572

The deferred taxation asset/(liability) balance is made up as follows:

	2015 £	*2014 £*
Accelerated capital allowances	(6,863)	*(10,226)*
Short term timing differences	7,435	*5,291*
	572	*(4,935)*

15. SHARE CAPITAL

	2015	*2014*
	£	*£*
Authorised, allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	**1,000**	*1,000*

16. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the year is £331,780 *(2014 - £259,193)* and the amount due to the scheme at the year end is £27,228 *(2014 - £25,291)*.

17. CONTROLLING PARTY

The company is a wholly owned subsidiary of Eric Wright Group Limited. The ultimate holding company is Henmead Limited, a company incorporated in England and Wales. The accounts of this company are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

The company has taken advantage of the exemption conferred by section 33.1A of FRS102 allowing it not to disclose transactions and balances with other wholly owned subsidiaries of Henmead Limited.

18. FIRST TIME ADOPTION OF FRS 102

	Note	*As previously stated 1 January 2014*	*Effect of transition 1 January 2014*	**FRS 102 (as restated) 1 January 2014**	*As previously stated 31 December 2014*	*Effect of transition 31 December 2014*	**FRS 102 (as restated) 31 December 2014**
		£	*£*	**£**	*£*	*£*	**£**
Fixed assets		*2,208,728*	-	**2,208,728**	*2,259,711*	-	**2,259,711**
Current assets		*8,757,053*	-	**8,757,053**	*10,088,530*	-	**10,088,530**
Creditors: amounts falling due within one year	1	*(8,836,644)*	*(14,021)*	**(8,850,665)**	*(10,217,893)*	*(18,350)*	**(10,236,243)**
Net current liabilities		*(79,591)*	*(14,021)*	**(93,612)**	*(129,363)*	*(18,350)*	**(147,713)**
Total assets less current liabilities		*2,129,137*	*(14,021)*	**2,115,116**	*2,130,348*	*(18,350)*	**2,111,998**
Provisions for liabilities		*(115,141)*	-	**(115,141)**	*(4,935)*	-	**(4,935)**
Net assets		*2,013,996*	*(14,021)*	**1,999,975**	*2,125,413*	*(18,350)*	**2,107,063**
Capital and reserves		*2,013,996*	*(14,021)*	**1,999,975**	*2,125,413*	*(18,350)*	**2,107,063**

18. FIRST TIME ADOPTION OF FRS 102 (continued)

	Note	*As previously stated 31 December 2014* £	*Effect of transition 31 December 2014* £	**FRS 102 (as restated) 31 December 2014** £
Turnover		*28,340,683*	-	**28,340,683**
Cost of sales		*(26,103,103)*	-	**(26,103,103)**
		2,237,580	-	**2,237,580**
Administrative expenses	1	*(2,118,447)*	*(4,328)*	**(2,122,775)**
Operating profit		*119,133*	*(4,328)*	**114,805**
Interest receivable and similar income		*4,445*	-	**4,445**
Taxation		*(12,162)*	-	**(12,162)**
Profit on ordinary activities after taxation and for the financial year		*111,416*	*(4,328)*	**107,088**

Explanation of changes to previously reported profit and equity:

1 Holiday pay accrual
Under previous UK GAAP, the Company accrued for holiday pay where this was expected to be paid as a cash sum where the employee was entitled to carry forward holidays earned indefinitely. However, the Company did not accrue for holiday pay that was earned but the holiday entitlement was expected to be taken in the subsequent financial year. Under FRS 102, the Company is required to accrue for all short-term compensated absences as holiday entitlement earned but not taken at the date of the statement of financial position.