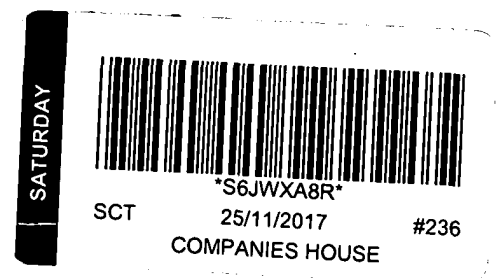


Company Registration No. SC152063 (Scotland)

**CRUMMOCK HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**



# CRUMMOCK HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	D Hogg J Laurensen A Nield
<b>Company number</b>	SC152063
<b>Registered office</b>	Butlerfield Estate Bonnyrigg Midlothian EH19 3JQ
<b>Auditors</b>	Springfords Dundas House Westfield Park Eskbank Edinburgh EH22 3FB
<b>Bankers</b>	Clydesdale Bank plc 50 Lothian Road Edinburgh EH3 9BY

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# CRUMMOCK HOLDINGS LIMITED

## CONTENTS

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	<b>Page</b>
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Consolidated statement of income and retained earnings	6
Group balance sheet	7
Company balance sheet	8
Consolidated statement of cash flows	9
Notes to the financial statements	10 - 25

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# CRUMMOCK HOLDINGS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MARCH 2017**

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The directors present the strategic report for the year ended 31 March 2017.

### **Fair review of the business**

At almost £24m, turnover has seen a modest increase from the 2016 figure of 3.2%. Since his arrival to the group as Construction Director, Jim Donaldson has introduced considerable change to the structure of operations of the civils division, which has contributed to the increase in the overall gross margin from 8.1% to 10.6% and an increase in pre-tax profits.

Crummock has continued to expand during 2017, increasing employee numbers with turnover forecast to exceed £30m in 2017/18. The workload pipeline remains positive as we continue to develop positive relationships with both our private and public sector clients.

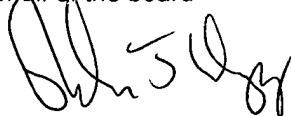
Early in the year we took the decision that the group would discontinue its oil and gas operations to focus on the core civil engineering business, hiving off the oil and gas business to a new company.

The continuing reduction in local government budgets, skills shortages and the absence of contracts being released directly by the Scottish Government remain the biggest risk to the business. Crummock however have the ability to react and concentrate on work streams arising in the private sector from our long-standing relationships and multi-year framework contracts. The current shortage within the construction industry of trained, experienced people across the board is being addressed through Crummock's increased take up of young people in apprenticeships and graduate training programmes.

We recognise that the construction industry continues to have many significant hazards, however these are understood and we control them through a structured approach and implementation of our safety management system. We have recently supplemented our management team with the full time employment of an industry experienced Chartered Safety and Health Practitioner to assist in maintaining Crummock's reputation for safe and efficient delivery.

Most companies carry a risk of incurring a major debt. However we believe that through our careful selection and credit checking of potential customers to extend our existing customer base, including blue chip companies and local councils, Crummock have taken all reasonable steps to minimise this risk.

On behalf of the board



D Hogg  
Director

21 November 2017

# CRUMMOCK HOLDINGS LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 MARCH 2017**

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The directors present their annual report and financial statements for the year ended 31 March 2017.

### Principal activities

The principal activity of the group continued to be that of civil engineering and road surfacing for the construction industry. The group's former international oil & gas work and consultancy services connected therewith were transferred into a related company during the year.

### Directors

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

D Hogg

A Jeffrey

(Resigned 30 June 2016)

J Laurenson

A Nield

### Results and dividends

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

### Statement of directors' responsibilities

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.

### Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

# CRUMMOCK HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

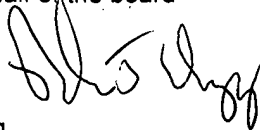
**FOR THE YEAR ENDED 31 MARCH 2017**

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### 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 group's auditors are 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 group's auditors are aware of that information.

On behalf of the board



D Hogg  
Director

21 November 2017

# **CRUMMOCK HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CRUMMOCK HOLDINGS LIMITED**

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We have audited the financial statements of Crummock Holdings Limited for the year ended 31 March 2017 set out on pages 6 to 25. 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 set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2017 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.

# CRUMMOCK HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF CRUMMOCK HOLDINGS LIMITED

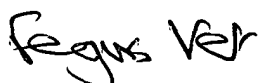
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#### **Matters on which we are required to report by exception**

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.



**Fergus Kerr (Senior Statutory Auditor)**  
**Springfords Audit Services**

21 November 2017

**Accountants**  
**Statutory Auditor**

Dundas House  
Westfield Park  
Eskbank  
Edinburgh  
EH22 3FB



# CRUMMOCK HOLDINGS LIMITED

## GROUP STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2017

	Notes	31 March 2017 £	31 March 2016 Continuing operations £	31 March 2016 Discontinued operations £	31 March 2016 Total £
Turnover	3	23,878,087	22,823,034	305,103	23,128,137
Cost of sales		(21,354,330)	(21,030,047)	(233,519)	(21,263,566)
<b>Gross profit</b>		<b>2,523,757</b>	<b>1,792,987</b>	<b>71,584</b>	<b>1,864,571</b>
Administrative expenses		(2,219,318)	(1,708,556)	-	(1,708,556)
Other operating income		307,548	212,116	-	212,116
<b>Operating profit</b>	4	<b>611,987</b>	<b>296,547</b>	<b>71,584</b>	<b>368,131</b>
Interest receivable and similar income	8	610	1,754	-	1,754
Interest payable and similar expenses	9	(16,414)	(3,809)	-	(3,809)
<b>Profit before taxation</b>		<b>596,183</b>	<b>294,492</b>	<b>71,584</b>	<b>366,076</b>
Taxation	10	(105,959)	(75,064)	-	(75,064)
<b>Profit for the financial year</b>	26	<b>490,224</b>	<b>219,428</b>	<b>71,584</b>	<b>291,012</b>
Retained earnings at 1 April 2016		1,860,236			1,742,473
Dividends		(128,152)			(173,249)
<b>Retained earnings at 31 March 2017</b>		<b>2,222,308</b>			<b>1,860,236</b>

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 current year operations are continuing operations.

# CRUMMOCK HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	12		1,297,450		955,365
<b>Current assets</b>					
Stocks	14	8,621		8,621	
Debtors	15	7,320,975		5,725,370	
Cash at bank and in hand		23,103		248,818	
		<u>7,352,699</u>		<u>5,982,809</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(5,870,777)</u>		<u>(4,594,362)</u>	
Net current assets			1,481,922		1,388,447
<b>Total assets less current liabilities</b>			2,779,372		2,343,812
<b>Creditors: amounts falling due after more than one year</b>	17		(209,755)		(148,896)
<b>Provisions for liabilities</b>	21		(92,660)		(80,031)
<b>Net assets</b>			<u>2,476,957</u>		<u>2,114,885</u>
<b>Capital and reserves</b>					
Called up share capital	23		4,004		4,004
Revaluation reserve	24		244,645		244,645
Capital redemption reserve	25		6,000		6,000
Profit and loss reserves	26		2,222,308		1,860,236
<b>Equity attributable to owners of the parent company</b>			<u>2,476,957</u>		<u>2,114,885</u>

The financial statements were approved by the board of directors and authorised for issue on 21 November 2017 and are signed on its behalf by:



A Nield  
Director

Company Registration No. SC152063


# CRUMMOCK HOLDINGS LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Investments	13		10,000		10,000
<b>Current assets</b>					
Debtors	15	259,490		259,490	
Cash at bank and in hand		1		1	
		<u>259,491</u>		<u>259,491</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(7,048)</u>		<u>(7,048)</u>	
Net current assets			252,443		252,443
<b>Total assets less current liabilities</b>			<u>262,443</u>		<u>262,443</u>
<b>Capital and reserves</b>					
Called up share capital	23		4,004		4,004
Capital redemption reserve	25		6,000		6,000
Profit and loss reserves	26		252,439		252,439
<b>Total equity</b>			<u>262,443</u>		<u>262,443</u>

The financial statements were approved by the board of directors and authorised for issue on 21 November 2017 and are signed on its behalf by:

  
A Nield  
Director

Company Registration No. SC152063

# CRUMMOCK HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	30	13,190		344,937	
Interest paid		(16,414)		(3,809)	
Income taxes paid		(11,175)		(113,666)	
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(14,399)</b>		<b>227,462</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(194,719)		(181,421)	
Proceeds on disposal of tangible fixed assets		29,392		4,400	
Advances made		(20,000)		-	
Interest received		610		1,754	
<b>Net cash used in investing activities</b>		<b>(184,717)</b>		<b>(175,267)</b>	
<b>Financing activities</b>					
Payment of finance leases obligations		(141,396)		(9,074)	
Dividends paid to equity shareholders		(128,152)		(173,249)	
<b>Net cash used in financing activities</b>		<b>(269,548)</b>		<b>(182,323)</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(468,664)</b>		<b>(130,128)</b>	
Cash and cash equivalents at beginning of year		248,818		378,946	
<b>Cash and cash equivalents at end of year</b>		<b>(219,846)</b>		<b>248,818</b>	
<b>Relating to:</b>					
Cash at bank and in hand		23,103		248,818	
Bank overdrafts included in creditors payable within one year		(242,949)		-	
		<b>(219,846)</b>		<b>248,818</b>	

# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 1 Accounting policies

#### Company information

Crummock Holdings Limited ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is Butlerfield Estate, Bonnyrigg, Midlothian, EH19 3JQ.

The group consists of Crummock Holdings 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 on the historical cost convention, modified to include the revaluation of freehold property. The principal accounting policies adopted are set out below.

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 £128,152 (2016 - £173,249 profit).

#### 1.2 Basis of consolidation

The consolidated financial statements incorporate those of Crummock Holdings Limited and all of its subsidiaries (i.e. 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 March 2017.

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.

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.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

#### 1.3 Going concern

The group has traded profitably and this is expected to continue. The group has cash resources and banking facilities sufficient to finance its operations. The directors consider that the group will continue in operational existence for the foreseeable future and they therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 1 Accounting policies

(Continued)

##### 1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Turnover on construction contracts is recognised according to the stage reached in the contract by reference to value of work done, as detailed below.

##### 1.5 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims, retentions and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

Gross amounts due from contract customers are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

##### 1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any recognised 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:

Land and buildings Freehold	Nil
Plant and machinery	3-10 years straight line
Fixtures, fittings & equipment	4 years straight line
Computer equipment	3 years straight line
Motor vehicles	3-10 years straight line

Land and buildings are reviewed annually for impairment and the directors are of the opinion that their useful economic lives and residual values are such that any depreciation would not be material.

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.

##### 1.7 Fixed asset investments

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

# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### 1.8 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible 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).

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

#### 1.10 Cash and cash equivalents

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.

#### 1.11 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.

##### **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.

##### **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 group 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 group after deducting all of its liabilities.

# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

---

### 1 Accounting policies

(Continued)

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 group's contractual obligations expire or are discharged or cancelled.

#### 1.12 Equity instruments

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

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

##### **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 if, and only if, there is 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.



# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

---

#### 1 Accounting policies

(Continued)

##### 1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

##### 1.15 Retirement benefits

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

##### 1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

##### 1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### 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.

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### Construction contract balances

As detailed above, the group estimates stage of completion and ultimate profitability of construction contracts in order to determine the amounts to be included in the accounts for each contract. When assessing the position on a contract the directors consider factors such as the programme of works, the tendered costs, costs incurred to date, anticipated future costs and historical experience. See note 15 for the resultant amounts due from contract customers.

# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 3 Turnover and other revenue

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

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
Civil engineering	23,878,087	23,128,137
	2017 £	2016 £
<b>Other significant revenue</b>		
Interest income	610	1,754
	2017 £	2016 £
<b>Turnover analysed by geographical market</b>		
UK	23,878,087	22,823,034
Overseas	-	305,103
	23,878,087	23,128,137

#### 4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	64,759	54,757
Depreciation of tangible fixed assets held under finance leases	71,933	7,574
Loss on disposal of tangible fixed assets	(21,552)	(4,400)

#### 5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	1,500	1,000
Audit of the financial statements of the company's subsidiaries	8,000	7,500
	9,500	8,500

# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 6 Employees

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

	2017 Number	2016 Number
Production	169	143
Administration	21	17
Directors	6	5
	<u>196</u>	<u>165</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	6,890,260	5,261,174
Social security costs	687,475	511,924
Pension costs	243,747	200,652
	<u>7,821,482</u>	<u>5,973,750</u>

#### 7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	364,444	257,368
Company pension contributions to defined contribution schemes	155,118	121,099
	<u>519,562</u>	<u>378,467</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2016 - 6).

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

Remuneration for qualifying services	63,126	56,049
Company pension contributions to defined contribution schemes	48,000	48,768
	<u></u>	<u></u>

# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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### 8 Interest receivable and similar income

	2017	2016
	£	£
<b>Interest income</b>		
Interest on bank deposits	610	1,754
	<u>610</u>	<u>1,754</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	610	1,754
	<u>610</u>	<u>1,754</u>

### 9 Interest payable and similar expenses

	2017	2016
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	5,211	3,037
Interest on finance leases and hire purchase contracts	11,203	772
	<u>16,414</u>	<u>3,809</u>

# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 10 Taxation

	2017 £	2016 £
UK corporation tax on profits for the current period	93,330	11,175
<b>Deferred tax</b>		
Origination and reversal of timing differences	12,629	63,889
<b>Total tax charge</b>	<b>105,959</b>	<b>75,064</b>

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:

	2017 £	2016 £
Profit before taxation	596,183	366,076
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	119,237	73,215
Tax effect of expenses that are not deductible in determining taxable profit	3,074	2,617
Effect of change in corporation tax rate	(16,352)	(768)
<b>Tax expense for the year</b>	<b>105,959</b>	<b>75,064</b>

# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 11 Dividends

	2017 £	2016 £
Interim paid	128,152	173,249

#### 12 Tangible fixed assets

Group	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 April 2016	576,306	1,063,271	148,854	339,963	2,128,394
Additions	-	284,402	20,784	181,431	486,617
Disposals	-	(87,492)	-	(45,263)	(132,755)
At 31 March 2017	576,306	1,260,181	169,638	476,131	2,482,256
<b>Depreciation and impairment</b>					
At 1 April 2016	97,452	765,802	137,193	172,582	1,173,029
Depreciation charged in the year	-	85,737	7,166	43,789	136,692
Eliminated in respect of disposals	-	(87,492)	-	(37,423)	(124,915)
At 31 March 2017	97,452	764,047	144,359	178,948	1,184,806
<b>Carrying amount</b>					
At 31 March 2017	478,854	496,134	25,279	297,183	1,297,450
At 31 March 2016	478,854	297,469	11,661	167,381	955,365

The company had no tangible fixed assets at 31 March 2017 or 31 March 2016.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £71,933 (2016 - £7,574) for the year.

	Group 2017 £	2016 £	Company 2017 £	2016 £
Plant and machinery	259,611	104,874	-	-
Motor vehicles	274,616	138,674	-	-
	534,227	243,548	-	-

# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 13 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	28	-	-	10,000	10,000

#### 14 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Raw materials and consumables	8,621	8,621	-	-

#### 15 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Amounts falling due within one year:</b>				
Trade debtors	719,137	932,260	-	-
Gross amounts due from contract customers	5,504,859	4,034,596	-	-
Amounts due from subsidiary undertakings	-	-	259,486	259,486
Amounts due from related parties	1,037,397	704,515	-	-
Other debtors	41,354	11,869	4	4
Prepayments and accrued income	18,228	42,130	-	-
	<u>7,320,975</u>	<u>5,725,370</u>	<u>259,490</u>	<u>259,490</u>

#### 16 Creditors: amounts falling due within one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Loans and overdrafts	20	242,949	-	-	-
Obligations under finance leases	18	168,627	78,984	-	-
Trade creditors		2,982,831	2,813,424	-	-
Corporation tax payable		93,330	11,175	-	-
Other taxation and social security		303,960	432,950	-	-
Other creditors		7,048	7,048	7,048	7,048
Accruals and deferred income		2,072,032	1,250,781	-	-
		<u>5,870,777</u>	<u>4,594,362</u>	<u>7,048</u>	<u>7,048</u>

Finance lease obligations are secured over the assets to which they relate.

# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 17 Creditors: amounts falling due after more than one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Obligations under finance leases	18	209,755	148,896	-	-

Finance lease obligations are secured over the assets to which they relate.

### 18 Finance lease obligations

	Group 2017 £	2016 £	Company 2017 £	2016 £
Future minimum lease payments due under finance leases:				
Within one year	168,627	78,984	-	-
In two to five years	209,755	148,896	-	-
	378,382	227,880	-	-

Finance lease payments represent rentals payable by the company or group for certain motor vehicles and items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 19 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	1,797,888	1,648,644	259,490	259,490
Equity instruments measured at cost less impairment	-	-	10,000	10,000
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	3,611,210	3,048,352	7,048	7,048



# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 20 Loans and overdrafts

	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank overdrafts	242,949	-	-	-
Payable within one year	242,949	-	-	-

The bank overdraft is secured by a floating charge over the assets of the group. Interest is payable at 3.5% over base rates.

#### 21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
<b>Group</b>		
Accelerated capital allowances	92,660	80,031

The company has no deferred tax assets or liabilities.

	Group 2017 £	Company 2017 £
<b>Movements in the year:</b>		
Liability at 1 April 2016	80,031	-
Charge to profit and loss	12,629	-
Liability at 31 March 2017	92,660	-

The deferred tax liability set out above is expected to reverse over the life of the relevant assets and relates to accelerated capital allowances that are expected to mature within the same period.

#### 22 Retirement benefit schemes

	2017 £	2016 £
<b>Defined contribution schemes</b>		
Charge to profit and loss in respect of defined contribution schemes	243,747	200,652

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.

# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 23 Share capital

	Group and company	
	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
4,000 Ordinary shares of £1 each	4,000	4,000
1 Ordinary B of £1 each	1	1
1 Ordinary C of £1 each	1	1
1 Ordinary D of £1 each	1	1
1 Ordinary E of £1 each	1	1
	<u>4,004</u>	<u>4,004</u>

### 24 Revaluation reserve

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
At beginning and end of year	<u>244,645</u>	<u>244,645</u>	<u>-</u>	<u>-</u>

The revaluation reserve relates to the group's freehold land and buildings.

### 25 Capital redemption reserve

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
At beginning and end of year	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>

### 26 Profit and loss reserves

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
At the beginning of the year	1,860,236	1,742,473	252,439	252,439
Profit for the year	490,224	291,012	128,152	173,249
Dividends	(128,152)	(173,249)	(128,152)	(173,249)
At the end of the year	<u>2,222,308</u>	<u>1,860,236</u>	<u>252,439</u>	<u>252,439</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

The remuneration of key management personnel, who are also directors, is as follows.

During the year the group entered into the following transactions with related parties:

The following amounts were outstanding at the reporting end date:

The company's related party transactions were with its wholly owned subsidiary and so have not been disclosed.

# CRUMMOCK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 27 Related party transactions

(Continued)

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and payable on demand. During the year ended 31 March 2017, the company and group have not made any provision for doubtful debts relating to amounts owed by related parties (2016: £nil).

At the year end, A Nield, director, and J Donaldson, A Hamill and D Jardine, directors of the subsidiary company, were each due £5,000 to the company.

#### 28 Subsidiaries

Details of the company's subsidiaries at 31 March 2017 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held	
				Direct	Indirect
Crummock (Scotland) Limited	Scotland	Civil engineering	Ordinary	100.00	-

#### 29 Directors' transactions

Dividends totalling £128,152 (2016 - £173,249) were paid in the year in respect of shares held by the company's directors or close family members.

#### 30 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	490,224	291,012
Adjustments for:		
Taxation charged	105,959	75,064
Finance costs	16,414	3,809
Investment income	(610)	(1,754)
Gain on disposal of tangible fixed assets	(21,552)	(4,400)
Depreciation and impairment of tangible fixed assets	136,692	62,331
Movements in working capital:		
(Increase) in debtors	(1,575,605)	(1,484,596)
Increase in creditors	861,668	1,403,471
<b>Cash generated from operations</b>	<b>13,190</b>	<b>344,937</b>