
C H G SOUTHWEST LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JANUARY 2017

C H G SOUTHWEST LIMITED

COMPANY INFORMATION

Directors	A Chant L Chant R Goodfellow J Hunt
Company secretary	J E Rice
Registered number	09952316
Registered office	3 Ground Floor, Unit 3, Homewood Way Gore Cross Business Park Bridport Dorset England DT6 3FH
Accountants	Barnes Roffe LLP Chartered Accountants Leytonstone House Leytonstone London E11 1GA

C H G SOUTHWEST LIMITED

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C H G SOUTHWEST LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 JANUARY 2017**

The directors present their report and the financial statements for the period ended 31 January 2017.

Directors' responsibilities statement

The directors are responsible for preparing 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Results and dividends

The profit for the period, after taxation, amounted to £193,070 (2016 - £134,785).

The directors declared dividends of £69,937 during the period.

Directors

The directors who served during the period were:

A Chant
L Chant
R Goodfellow
J Hunt

Future developments

The directors do not expect there to be any material changes to the company's business going forward.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

C H G SOUTHWEST LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 JANUARY 2017**

This report was approved by the board on 14 March 2017 and signed on its behalf.

A Chant
Director

C H G SOUTHWEST LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS
OF C H G SOUTHWEST LIMITED
FOR THE PERIOD ENDED 31 JANUARY 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of C H G Southwest Limited for the period ended 31 January 2017 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes from the Company accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of directors of C H G Southwest Limited, as a body, in accordance with the terms of our engagement letter dated 14 June 2016. Our work has been undertaken solely to prepare for your approval the financial statements of C H G Southwest Limited and state those matters that we have agreed to state to the Board of directors of C H G Southwest Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than C H G Southwest Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that C H G Southwest Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of C H G Southwest Limited. You consider that C H G Southwest Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or review of the financial statements of C H G Southwest Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Barnes Roffe LLP
Chartered Accountants
Leytonstone House
Leytonstone
London
E11 1GA
14 March 2017

C H G SOUTHWEST LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JANUARY 2017

	Note	7 months ended 31 January 2017 £	Period ended 30 June 2016 £
Turnover		2,108,160	1,477,320
Cost of sales		(1,428,249)	(965,700)
Gross profit		679,911	511,620
Administrative expenses		(427,354)	(350,406)
Operating profit		252,557	161,214
Tax on profit	4	(59,487)	(26,429)
Total comprehensive income for the period		193,070	134,785

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 8 to 18 form part of these financial statements.

C H G SOUTHWEST LIMITED
REGISTERED NUMBER: 09952316

BALANCE SHEET
AS AT 31 JANUARY 2017

	Note	31 January 2017 £	30 June 2016 £
Fixed assets			
Intangible assets	5	29,961	34,330
Tangible assets	6	34,094	29,070
		<u>64,055</u>	<u>63,400</u>
Current assets			
Stocks		34,721	16,871
Debtors: amounts falling due within one year	7	405,426	386,853
Cash at bank and in hand		370,674	190,637
		<u>810,821</u>	<u>594,361</u>
Creditors: amounts falling due within one year	8	(489,059)	(400,126)
Net current assets		<u>321,762</u>	<u>194,235</u>
Total assets less current liabilities		<u>385,817</u>	<u>257,635</u>
Creditors: amounts falling due after more than one year	9	(145,000)	(145,000)
Provisions for liabilities			
Deferred tax		(5,049)	-
		<u>(5,049)</u>	<u>-</u>
Net assets		<u><u>235,768</u></u>	<u><u>112,635</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		235,668	112,535
		<u>235,768</u>	<u>112,635</u>

C H G SOUTHWEST LIMITED
REGISTERED NUMBER: 09952316

BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2017

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 March 2017.

A Chant

Director

The notes on pages 8 to 18 form part of these financial statements.

C H G SOUTHWEST LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 14 January 2016	100	-	100
Comprehensive income for the period			
Profit for the period	-	134,785	134,785
Total comprehensive income for the period	-	134,785	134,785
Dividends: Equity capital	-	(22,250)	(22,250)
At 1 July 2016	100	112,535	112,635
Comprehensive income for the period			
Profit for the period	-	193,070	193,070
Total comprehensive income for the period	-	193,070	193,070
Dividends: Equity capital	-	(69,937)	(69,937)
Total transactions with owners	-	(69,937)	(69,937)
At 31 January 2017	100	235,668	235,768

C H G SOUTHWEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2017

1. General information

C H G Southwest Limited ("the Company") provides plumbing and heating and related services. The company is a private company limited by shares and incorporated in England and Wales. The address of its registered office is 3 Ground Floor, Unit 3, Homewood Way, Gore Cross Business Park, Bridport, Dorset, England, DT6 3FH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The Company continues to adopt the going concern basis in preparing its financial statements.

C H G SOUTHWEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2017

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

2.5 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.

C H G SOUTHWEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2017**

2. Accounting policies (continued)**2.5 Tangible fixed assets (continued)**

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.

Depreciation is provided on the following basis:

Plant and machinery	-	25%	straight line
Motor vehicles	-	25%	straight line
Office equipment	-	25%	straight line

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 in the Statement of comprehensive income.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 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.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.9 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.

2.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

C H G SOUTHWEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2017

2. Accounting policies (continued)

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.12 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge 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 tax 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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

C H G SOUTHWEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2017

3. Employees

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

	7 months ended 31 January 2017 £	Period ended 30 June 2016 £
Wages and salaries	735,629	548,312
Social security costs	69,824	48,463
	<u>805,453</u>	<u>596,775</u>

The average monthly number of employees, including directors, during the period was 46 (2016 - 43).

4. Taxation

	7 months ended 31 January 2017 £	Period ended 30 June 2016 £
Corporation tax		
Current tax on profits for the period	52,185	26,429
Adjustments in respect of previous periods	2,253	-
Total current tax	<u>54,438</u>	<u>26,429</u>
Deferred tax		
Origination and reversal of timing differences	5,049	-
Total deferred tax	<u>5,049</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>59,487</u>	<u>26,429</u>

C H G SOUTHWEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2017

4. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	7 months ended 31 January 2017 £	Period ended 30 June 2016 £
Profit on ordinary activities before tax	<u>252,557</u>	<u>161,214</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	50,511	32,243
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	874	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,128	-
Depreciation for period in excess of capital allowances/(capital allowances for period in excess of depreciation)	16	(5,814)
Adjustments to tax charge in respect of prior periods	6,958	-
Total tax charge for the period	<u>59,487</u>	<u>26,429</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

C H G SOUTHWEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2017

5. Intangible assets

	Goodwill
	£
Cost	
At 1 July 2016	37,450
At 31 January 2017	<u>37,450</u>
Amortisation	
At 1 July 2016	3,120
Charge for the period	4,369
At 31 January 2017	<u>7,489</u>
Net book value	
At 31 January 2017	<u><u>29,961</u></u>
At 30 June 2016	<u><u>34,330</u></u>

C H G SOUTHWEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2017

6. Tangible fixed assets

	Plant and machinery	Motor vehicles	Office equipment	Total
	£	£	£	£
Cost or valuation				
At 1 July 2016	12,200	5,850	14,400	32,450
Additions	6,650	-	3,750	10,400
At 31 January 2017	<u>18,850</u>	<u>5,850</u>	<u>18,150</u>	<u>42,850</u>
Depreciation				
At 1 July 2016	1,271	609	1,500	3,380
Charge for the period on owned assets	2,344	854	2,178	5,376
At 31 January 2017	<u>3,615</u>	<u>1,463</u>	<u>3,678</u>	<u>8,756</u>
Net book value				
At 31 January 2017	<u>15,235</u>	<u>4,387</u>	<u>14,472</u>	<u>34,094</u>
At 30 June 2016	<u>10,929</u>	<u>5,241</u>	<u>12,900</u>	<u>29,070</u>

7. Debtors

	31 January 2017 £	30 June 2016 £
Trade debtors	305,545	326,267
Other debtors	100	100
Prepayments and accrued income	16,331	10,596
Amounts recoverable on long term contracts	83,450	49,890
	<u>405,426</u>	<u>386,853</u>

C H G SOUTHWEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2017

8. Creditors: Amounts falling due within one year

	31 January 2017 £	30 June 2016 £
Trade creditors	293,675	231,235
Corporation tax	80,867	26,429
Other taxation and social security	89,985	138,374
Other creditors	17,552	388
Accruals and deferred income	6,980	3,700
	<u>489,059</u>	<u>400,126</u>

9. Creditors: Amounts falling due after more than one year

	31 January 2017 £	30 June 2016 £
Other creditors	145,000	145,000
	<u>145,000</u>	<u>145,000</u>

10. Deferred taxation

	2017 £
Charged to profit or loss	5,049
At end of year	<u>5,049</u>

The deferred taxation balance is made up as follows:

	31 January 2017 £	30 June 2016 £
Accelerated capital allowances	5,049	-
	<u>5,049</u>	<u>-</u>

C H G SOUTHWEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2017

11. Share capital

	31 January 2017 £	30 June 2016 £
Shares classified as equity		
Allotted, called up and fully paid		
51 Ordinary A shares of £1 each	51	51
29 Ordinary B shares of £1 each	29	29
10 Ordinary C shares of £1 each	10	10
10 Ordinary D shares of £1 each	10	10
	<u>100</u>	<u>100</u>

12. Commitments under operating leases

At 31 January 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 January 2017 £	30 June 2016 £
Lease of land and buildings		
Later than 1 year and not later than 5 years	51,667	-
	<u>51,667</u>	<u>-</u>
Other operating leases		
Not later than 1 year	67,240	-
Later than 1 year and not later than 5 years	5,100	123,870
	<u>72,340</u>	<u>123,870</u>

C H G SOUTHWEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2017

13. Related party transactions

At the end of the period, the company owed £161,503 to directors (*June 2016 - £145,000*). The loans are unsecured and interest free.

14. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.