

Group

COMPANY REGISTRATION NUMBER 07432717

GRAHAM HEATH HOLDINGS LIMITED
FINANCIAL STATEMENTS
31 JULY 2014

THURSDAY



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GRAHAM HEATH HOLDINGS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2014

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GRAHAM HEATH HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The director	G J T Heath
Registered office	The Creamery Wrenbury Industrial Estate 2 Station Road Wrenbury Cheshire CW5 8EX
Business address	The Creamery Wrenbury Industrial Estate 2 Station Road Wrenbury Cheshire CW5 8EX
Auditor	DPC Accountants Limited Chartered Accountants & Statutory Auditor Vernon Road Stoke on Trent Staffordshire ST4 2QY
Bankers	National Westminster 2 Crewe Road Alsager Stoke-on-Trent Staffordshire ST7 2ER

GRAHAM HEATH HOLDINGS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 JULY 2014

The director presents his report for the year ended 31st July 2014.

Business review

The following set of consolidated accounts reflects the group's operations as follows:

Graham Heath Holdings Limited - a property holding company.

Graham Heath Construction Limited - subsidiary operating in erection of agricultural buildings.

Concrete Panel Systems Limited - subsidiary operating in the manufacture of concrete panels.

South Cheshire Readymix Limited - dormant subsidiary

Kit Framed Buildings Limited - dormant subsidiary

Moorfields Investments Limited - dormant subsidiary

G H Equestrian Limited - dormant subsidiary

The trading activities are conducted through Graham Heath Construction Limited and Concrete Panel Systems Limited.

Both trading companies generate turnover through advertising from their respective websites and also in key industry magazines. The companies also focus on core business values of high quality of product, competitive pricing, and excellent customer service, to generate repeat business with customers and also generate positive publicity where possible.

Review of business risk

There are a range of risks facing the group and the group seeks to mitigate exposure to all forms of risk.

Credit risks

The trading companies have implemented policies that require appropriate credit checks on potential customers before sales are made. In addition, all purchases undergo stringent processes to establish rightful title to goods before onward sale.

Liquidity and cash flow risks

The trading companies carefully manage both its stock holding and aged debtors policy and provides appropriately to minimise risk. The trading companies do not require any funding to manage its cashflow due to its cash reserves. Funding facilities are available if required to fund future expansion plans.

Financial Key Performance Indicators

Turnover (growth)

The group sales for the year amount to £11,263,323 (2013: £10,075,808), being an increase of £1,187,515 and 11.8%.

Review of the year

During the year the group remained profitable and has now successfully eroded all of its long-term bank liabilities.

The group's reputation for offering excellent value and service continues to grow, and this has been reflected in increased sales throughout the trading period for both trading companies.

GRAHAM HEATH HOLDINGS LIMITED


STRATEGIC REPORT *(continued)*

YEAR ENDED 31 JULY 2014

Review of the year (continued)

The directors intend to continue the policies which have resulted in the turnover growth of the business whilst at the same time expanding the breadth of their product range, enhancing accessibility for clients and embarking upon further geographic growth.

Signed by



G J T Heath
Director

Approved by the director on 29 April 2015

GRAHAM HEATH HOLDINGS LIMITED

DIRECTOR'S REPORT

YEAR ENDED 31 JULY 2014

The director presents his report and the financial statements of the group for the year ended 31 July 2014.

Results and dividends

The profit for the year, after taxation, amounted to £173,350. The director has not recommended a dividend.

Director

The director who served the company during the year was as follows:

G J T Heath

Director's responsibilities

The director is responsible for preparing the Strategic Report, Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 the group and of the profit or loss of the group for that year.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 group will continue in business.

The director is 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 enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Post balance sheet event

There were no material events up to the date of approval of the financial statements by the Board.

Strategic report

The likely future developments of the business are included in the strategic report.

Disabled employees

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

GRAHAM HEATH HOLDINGS LIMITED

DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 JULY 2014

Employee involvement

The group's policy is to recruit and discuss with employees matters likely to affect employee's interest. Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting group performance.

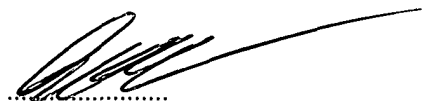
Auditor

DPC Accountants Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The director at the date of the approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed by



G J T Heath
Director

Approved by the director on 29 April 2015

GRAHAM HEATH HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GRAHAM HEATH HOLDINGS LIMITED

YEAR ENDED 31 JULY 2014

We have audited the group and parent company financial statements ("the financial statements") of GRAHAM HEATH HOLDINGS LIMITED for the year ended 31 July 2014 which comprise the Profit and Loss Account, Group Balance Sheet and Company Balance Sheet, Group Cash Flow Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 4, the director is 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 director; 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.

GRAHAM HEATH HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GRAHAM HEATH HOLDINGS LIMITED *(continued)*

YEAR ENDED 31 JULY 2014

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 July 2014 and of the group's 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 the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


SIMON OWEN (Senior Statutory Auditor)
For and on behalf of
DPC ACCOUNTANTS LIMITED
Chartered Accountants & Statutory Auditor

Vernon Road
Stoke on Trent
Staffordshire
ST4 2QY

29/04/15

GRAHAM HEATH HOLDINGS LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JULY 2014

	Note	2014 £	2013 £
Group turnover	2	11,263,323	10,075,808
Cost of sales		<u>(7,367,752)</u>	<u>(6,906,462)</u>
Gross profit		3,895,571	3,169,346
Distribution costs		<u>(23,225)</u>	<u>(25,323)</u>
Administrative expenses		<u>(3,640,754)</u>	<u>(3,050,986)</u>
Operating profit	3	231,592	93,037
Interest payable and similar charges	6	224	(10,889)
Profit on ordinary activities before taxation		231,816	82,148
Tax on profit on ordinary activities	7	<u>(58,466)</u>	<u>(13,384)</u>
Profit for the financial year	8	<u>173,350</u>	<u>68,764</u>

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 12 to 22 form part of these financial statements.

GRAHAM HEATH HOLDINGS LIMITED

GROUP BALANCE SHEET

31 JULY 2014

	Note	2014 £	2013 £
Fixed assets			
Intangible assets	9	30,500	32,500
Tangible assets	10	2,427,411	2,057,549
		<u>2,457,911</u>	<u>2,090,049</u>
Current assets			
Stocks	12	330,935	193,637
Debtors	13	1,509,680	1,099,753
Cash at bank and in hand		628,075	1,143,262
		<u>2,468,690</u>	<u>2,436,652</u>
Creditors: Amounts falling due within one year	14	(2,352,802)	(1,905,241)
Net current assets		<u>115,888</u>	<u>531,411</u>
Total assets less current liabilities		<u>2,573,799</u>	<u>2,621,460</u>
Creditors: Amounts falling due after more than one year	15	(1,800,000)	(2,061,350)
Provisions for liabilities			
Deferred taxation	16	(121,193)	(80,854)
		<u>652,606</u>	<u>479,256</u>
Capital and reserves			
Called-up equity share capital	19	3	3
Profit and loss account	20	652,603	479,253
Shareholders' funds	21	<u>652,606</u>	<u>479,256</u>

These accounts were approved and signed by the director and authorised for issue on 29 April 2015.



G J T Heath
Director

The notes on pages 12 to 22 form part of these financial statements.

GRAHAM HEATH HOLDINGS LIMITED**BALANCE SHEET****31 JULY 2014**

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	10	1,367,068	540,761
Investments	11	402	102
		<u>1,367,470</u>	<u>540,863</u>
Current assets			
Debtors	13	372,929	1,128,431
Cash at bank		300,000	—
		<u>672,929</u>	<u>1,128,431</u>
Creditors: Amounts falling due within one year	14	(648,170)	(314,491)
Net current assets		<u>24,759</u>	<u>813,940</u>
Total assets less current liabilities		<u>1,392,229</u>	<u>1,354,803</u>
Creditors: Amounts falling due after more than one year	15	(1,500,000)	(1,500,000)
		<u>(107,771)</u>	<u>(145,197)</u>
Capital and reserves			
Called-up equity share capital	19	3	3
Profit and loss account	20	(107,774)	(145,200)
Deficit		<u>(107,771)</u>	<u>(145,197)</u>

These accounts were approved and signed by the director and authorised for issue on 29 April 2015.



G J T Heath
Director

Company Registration Number: 07432717

The notes on pages 12 to 22 form part of these financial statements.

GRAHAM HEATH HOLDINGS LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 JULY 2014

	Note	2014 £	2013 £
Net cash inflow/(outflow) from operating activities		347,805	(326,416)
Returns on investments and servicing of finance	22	224	(10,889)
Capital expenditure and financial investment	22	(582,830)	(381,334)
Cash outflow before financing		(234,801)	(718,639)
Financing	22	(280,386)	982,977
(Decrease)/increase in cash		<u>(515,187)</u>	<u>264,338</u>
Reconciliation of operating profit to net cash inflow/(outflow) from operating activities			
		2014 £	2013 £
Operating profit		231,592	93,037
Amortisation		2,000	3,000
Depreciation		211,577	185,130
Loss on disposal of fixed assets		1,391	14,440
Increase in stocks		(137,298)	(84,122)
Increase in debtors		(409,927)	(439,199)
Increase/(decrease) in creditors		448,470	(98,702)
Net cash inflow/(outflow) from operating activities		<u>347,805</u>	<u>(326,416)</u>
Reconciliation of net cash flow to movement in net debt			
		2014 £	2013 £
(Decrease)/increase in cash in the period		(515,187)	264,338
Net cash outflow from bank loans		280,386	317,023
Net cash (inflow) from other long-term creditors		–	(300,000)
Cash (inflow) from director's long-term loans		–	(1,000,000)
		<u>(234,801)</u>	<u>(718,639)</u>
Change in net debt	22	(234,801)	(718,639)
Net debt at 1 August 2013	22	<u>(937,124)</u>	(218,484)
Net debt at 31 July 2014	22	<u>(1,171,925)</u>	<u>(937,124)</u>

The notes on pages 12 to 22 form part of these financial statements.

GRAHAM HEATH HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2014

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the accounts of Graham Heath Holdings Limited and all its subsidiary undertakings made up to 31 July 2014; the group profit and loss account includes the results of all subsidiary undertakings for the period from the date of their acquisition and up to the date of disposal.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover and profits arising on trading between group companies are excluded.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - over 20 years

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 15% reducing balance
Fixtures & Fittings	- 15% reducing balance
Motor Vehicles	- 25% reducing balance

Depreciation on freehold buildings is not provided, as any uncharged depreciation for the year and the accumulated uncharged depreciation would be immaterial in aggregate, as a result of the company's policy to maintain its properties in good condition which substantially prolongs their useful life, and the estimated high residual value of the properties.

Tangible fixed assets which are not depreciated are reviewed for impairment annually by the directors in accordance with Financial Reporting Standard number 11.

GRAHAM HEATH HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2014

1. Accounting policies *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue to trade for the foreseeable future.

2. Turnover

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

GRAHAM HEATH HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2014

3. Operating profit

Operating profit is stated after charging:

	2014 £	2013 £
Amortisation of intangible assets	2,000	3,000
Depreciation of owned fixed assets	211,577	185,130
Loss on disposal of fixed assets	1,391	14,440
Auditor's remuneration	<u>9,000</u>	<u>6,000</u>

	2014 £	2013 £
Auditor's remuneration - audit of the financial statements	<u>9,000</u>	<u>6,000</u>

During the accounting period the group contributed £1,200,000 to the Graham Heath Remuneration Trust.

4. Particulars of employees

The average number of staff employed by the group during the financial year amounted to:

	2014 No	2013 No
Number of staff	<u>35</u>	<u>31</u>

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	1,344,531	1,055,697
Social security costs	<u>—</u>	<u>—</u>
	<u>1,344,531</u>	<u>1,055,697</u>

5. Director's remuneration

The director's aggregate remuneration in respect of qualifying services were:

	2014 £	2013 £
Remuneration receivable	<u>7,822</u>	<u>6,846</u>

6. Interest payable and similar charges

	2014 £	2013 £
Interest payable on bank borrowing	(224)	10,753
Other similar charges payable	<u>—</u>	<u>136</u>
	<u>(224)</u>	<u>10,889</u>

GRAHAM HEATH HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2014

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2014	2013
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20% (2013 - 20%)	18,127	-
Total current tax	18,127	-
Deferred tax:		
Origination and reversal of timing differences	40,339	13,384
Tax on profit on ordinary activities	58,466	13,384

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2013 - 20%).

	2014	2013
	£	£
Profit on ordinary activities before taxation	231,816	82,148
Profit on ordinary activities by rate of tax	46,364	16,430
Expenses not deductible for tax purposes	5,997	1,807
Capital allowances for period in excess of depreciation	(40,459)	(13,989)
Utilisation of tax losses	(1,674)	(9,534)
Unrelieved tax losses	7,899	5,286
Total current tax (note 7(a))	18,127	-

8. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £37,426 (2013 - £(233,200)).

GRAHAM HEATH HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2014

9. Intangible fixed assets

Group	Goodwill £
Cost	
At 1 August 2013 and 31 July 2014	<u>60,000</u>
Amortisation	
At 1 August 2013	27,500
Charge for the year	<u>2,000</u>
At 31 July 2014	<u>29,500</u>
Net book value	
At 31 July 2014	<u>30,500</u>
At 31 July 2013	<u>32,500</u>

10. Tangible fixed assets

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 August 2013	1,133,883	1,268,306	6,705	427,097	2,835,991
Additions	826,307	288,201	1,094	65,672	1,181,274
Disposals	(593,122)	—	—	(21,937)	(615,059)
At 31 July 2014	<u>1,367,068</u>	<u>1,556,507</u>	<u>7,799</u>	<u>470,832</u>	<u>3,402,206</u>
Depreciation					
At 1 August 2013	—	498,240	2,038	278,164	778,442
Charge for the year	—	158,740	864	51,973	211,577
On disposals	—	—	—	(15,224)	(15,224)
At 31 July 2014	<u>—</u>	<u>656,980</u>	<u>2,902</u>	<u>314,913</u>	<u>974,795</u>
Net book value					
At 31 July 2014	<u>1,367,068</u>	<u>899,527</u>	<u>4,897</u>	<u>155,919</u>	<u>2,427,411</u>
At 31 July 2013	<u>1,133,883</u>	<u>770,066</u>	<u>4,667</u>	<u>148,933</u>	<u>2,057,549</u>

GRAHAM HEATH HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2014

10. Tangible fixed assets *(continued)*

Company	Freehold Property £
Cost	
At 1 August 2013	540,761
Additions	826,307
At 31 July 2014	<u>1,367,068</u>
Depreciation	
At 1 August 2013 and 31 July 2014	—
Net book value	
At 31 July 2014	<u>1,367,068</u>
At 31 July 2013	<u>540,761</u>

11. Investments

Company	Group companies £
Cost	
At 1 August 2013	102
Additions	300
At 31 July 2014	<u>402</u>
Net book value	
At 31 July 2014	<u>402</u>
At 31 July 2013	<u>102</u>

GRAHAM HEATH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2014

The company owns 100% of the issued Ordinary share capital of the companies listed below;

	2014 £	2013 £
Aggregate capital and reserves		
Graham Heath Construction Limited	222,672	197,165
Concrete Panel Systems Limited	537,707	427,290
South Cheshire Readymix Limited	100	100
G H Equestrian Limited	100	–
Kit Framed Buildings Limited	100	–
Moorfields Investments Limited	100	–

Profit and (loss) for the year

Graham Heath Construction Limited	25,507	121,475
Concrete Panel Systems Limited	110,417	327,289
South Cheshire Readymix Limited	–	–
G H Equestrian Limited	–	–
Kit Framed Buildings Limited	–	–
Moorfields Investments Limited	–	–

Nature of business

Graham Heath Construction Limited - Agricultural building erection
Concrete Panel Systems Limited - Manufacture of concrete panels
South Cheshire Readymix Limited - Dormant company
G H Equestrian Limited - Dormant company
Kit Framed Buildings Limited - Dormant company
Moorfields Investments Limited - Dormant company

12. Stocks

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Raw materials	66,250	69,681	–	–
Work in progress	34,195	3,625	–	–
Finished goods	230,490	120,331	–	–
	<u>330,935</u>	<u>193,637</u>	<u>–</u>	<u>–</u>

13. Debtors

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	1,395,203	999,787	–	–
Amounts owed by group undertakings	–	–	372,929	1,128,431
Staff loans	4,300	4,300	–	–
Other debtors	600	–	–	–
Prepayments and accrued income	109,577	95,666	–	–
	<u>1,509,680</u>	<u>1,099,753</u>	<u>372,929</u>	<u>1,128,431</u>

GRAHAM HEATH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2014

14. Creditors: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Other loans				
Bank loans	–	19,036	–	–
Trade creditors	936,362	925,629	–	–
Amounts owed to group undertakings	–	–	400	100
Director's loan account	605,409	314,391	605,409	314,391
Corporation tax	18,127	–	9,028	–
Other taxation and social security	40,101	219,328	–	–
Other creditors	80,189	58,289	–	–
Accruals and deferred income	672,614	368,568	33,333	–
	<u>2,352,802</u>	<u>1,905,241</u>	<u>648,170</u>	<u>314,491</u>

The bank holds a legal charge dated 24th October 2007, over Plot 6, The Creamery, Station Road, Wrenbury, Cheshire.

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Other loans				
Bank loans	–	261,350	–	–
Director's loan account	1,500,000	1,500,000	1,500,000	1,500,000
Other creditors	300,000	300,000	–	–
	<u>1,800,000</u>	<u>2,061,350</u>	<u>1,500,000</u>	<u>1,500,000</u>

16. Deferred taxation

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Provision brought forward	80,854	67,470	–	–
Increase in provision	40,339	13,384	–	–
Provision carried forward	<u>121,193</u>	<u>80,854</u>	<u>–</u>	<u>–</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2014		2013	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>121,193</u>	<u>–</u>	<u>80,854</u>	<u>–</u>

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17. Capital Commitments

There were none, either contracted, or authorised but not contracted.

18. Related party transactions

During the year transactions took place with the following related parties;

i) G J T Heath, the director of the company;

£1,814,391 was due to the director at the start of the year. During the year, the director introduced £615,000 and was advanced £323,982 from the company. £2,105,409 was due to the director at the year end.

19. Share capital

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

20. Reserves

Group	Profit and loss account
	£
Balance brought forward	479,253
Profit for the year	173,350
Balance carried forward	<u>652,603</u>
Company	Profit and loss account
	£
Balance brought forward	(145,200)
Profit for the year	37,426
Balance carried forward	<u>(107,774)</u>

21. Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
Profit for the financial year	173,350	68,764
Net addition to shareholders' funds	173,350	68,764
Opening shareholders' funds	479,256	410,492
Closing shareholders' funds	<u>652,606</u>	<u>479,256</u>

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22. Notes to the cash flow statement

Returns on investments and servicing of finance

	2014 £	2013 £
Interest paid	224	(10,889)
Net cash inflow/(outflow) from returns on investments and servicing of finance	<u>224</u>	<u>(10,889)</u>

Capital expenditure

	2014 £	2013 £
Payments to acquire tangible fixed assets	(1,181,274)	(408,762)
Receipts from sale of fixed assets	598,444	27,428
Net cash outflow from capital expenditure	<u>(582,830)</u>	<u>(381,334)</u>

Financing

	2014 £	2013 £
Repayment of bank loans	(280,386)	(317,023)
Net inflow from other long-term creditors	—	300,000
Repayment of director's long-term loans	—	1,000,000
Net cash (outflow)/inflow from financing	<u>(280,386)</u>	<u>982,977</u>

Analysis of changes in net debt

	At 1 Aug 2013 £	Cash flows £	At 31 Jul 2014 £
Net cash:			
Cash in hand and at bank	1,143,262	(515,187)	628,075
Debt:			
Debt due within 1 year	(19,036)	19,036	—
Debt due after 1 year	(2,061,350)	261,350	(1,800,000)
	<u>(2,080,386)</u>	<u>280,386</u>	<u>(1,800,000)</u>
Net debt	<u>(937,124)</u>	<u>(234,801)</u>	<u>(1,171,925)</u>

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23. Going concern

The directors' have reviewed the company's trading and cashflow position and have provided assurances that they will continue to provide support to the company in order that it may continue its activities, as hitherto. Consequently the director's are of the opinion that the financial statements should be prepared on a going concern basis.

24. Controlling interest

The company is controlled by G J T Heath by virtue of his shareholding in the company.

25. Post balance sheet events

There were no material events up to the date of approval of the financial statements by the board.