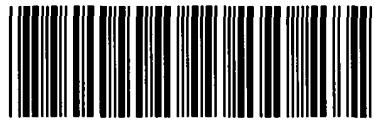


DURKAN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016

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Company Registration Number: 997195 (England and Wales)

DURKAN LIMITED

FINANCIAL STATEMENTS

for the year ended 30 November 2016

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DURKAN LIMITED

FINANCIAL STATEMENTS

for the year ended 30 November 2016

COMPANY INFORMATION:

COMPANY NUMBER 997195

DIRECTORS	Daniel Durkan James Briggs Ronan Murphy Brian Williams Dean Martin Shane Rooney Daren Nathan Ian Cresswell Fraser Wells David Murray Martin McAtamney David Brooks	Chairman Managing Director Finance Director Operations Director Construction Director Commercial Director Development Director Director of Health, Safety & Environmental Management Director of Housing Partnerships Bid Director Pre-construction, Design and Technical Director Non-executive Director
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SECRETARY Ronan Murphy

REGISTERED OFFICE 4 Elstree Gate
Elstree Way
Borehamwood
Herts
WD6 1JD

BANKERS Barclays Bank plc
1 Churchill Place
London
E14 5HP

The Royal Bank of Scotland plc
280 Bishopsgate
London
EC2M 4RB

SOLICITORS Pinsent Masons LLP
30 Crown Place
London
EC2A 4ES

INDEPENDENT AUDITORS Grant Thornton UK LLP
Chartered Accountants
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

DURKAN LIMITED

REPORT OF THE DIRECTORS

for the year ended 30 November 2016

The directors present their report together with the financial statements for the year ended 30 November 2016.

The prior period was a ten month period from 1 February 2015 to 30 November 2015 as the company changed its year end to 30 November from 31 January for operational reasons.

RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation for the year was £1,618,489 (2015: £6,127,537). The directors do not recommend the payment of a dividend and the surplus of £1,618,489 has been set aside to reserves (2015: £6,127,537).

DIRECTORS

The current directors are shown on page 1.

During the year, the company appointed Dean Martin (01/08/16) and Shane Rooney (03/11/16) as directors whilst Robert Clark (29/07/16) and Dominic Jankowski (31/08/16) both resigned.

Fraser Wells (01/12/16), David Murray (11/04/17) and Martin McAtamney (11/04/17) have been appointed as directors whilst Shaun Sheldrake resigned on 31/12/16.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors report, the strategic 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 financial statements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure 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.

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 April 2017 and signed on its behalf by


Ronan Murphy Director

Company Registration Number: 997195

DURKAN LIMITED

STRATEGIC REPORT OF THE DIRECTORS

for the year ended 30 November 2016

The directors present their strategic report for the year ended 30 November 2016.

PRINCIPAL ACTIVITY

The company's principal activity during the year remained that of building contract work for Registered Social Landlords and Local Authorities.

REVIEW OF THE BUSINESS

The results for the year are considered satisfactory given the trading conditions affecting the construction sector during the year.

The company has now completed all of the old legacy contracts which has allowed the business to focus on risk management and margin improvement. In order to improve operational efficiency and profitability, the company has reduced the total number of third party contracts under management so as to focus on larger projects with higher margins.

The company has a strong order book of £350m and has been successful during 2016 in being appointed to selected frameworks for potential work opportunities.

The sector remains competitive with human resources in demand and risks remain due to supply chain constraints. However, the board is confident that the necessary measures have been put in place that will see further improvement in our construction division over the coming year. The company will continue to focus on its core markets seeking opportunities for lower risk contracts up to £50m and quick to execute projects with preferred clients and consultant teams.

The Government is looking to drive housing policy and facilitate development initiatives via public bodies such as the Homes and Community Agency and the Greater London Authority. These schemes incorporate the public sector working in partnership with developers through equity participation and joint ventures and more opportunities to work with local authorities and housing associations are anticipated using these engagement models.

In November 2016, the company completed its first partnership transaction in conjunction with the London Borough of Wandsworth. Under the terms of the transaction, the company constructed a school for the borough at Putney Common in return for the transfer of a development site for the construction of 24 apartments. The apartments achieved completion during 2016 and the scheme is generating steady sales. The company has also signed a partnership agreement with Aylesbury Vale Council to develop 36 residential units, restaurants and a new public square in Aylesbury Town Centre. The company is currently in final negotiations on two further partnerships deals which are expected to close during 2017.

FUTURE PROSPECTS

The company continues to strengthen its relationship with public sector clients. These strategic partnership alliances provide continuity of workload for future years.

The outlook for the current year and beyond is encouraging based on the strength of the order book at the date of this report. The outlook for the longer term is also positive, as the Government is looking to drive housing policy and facilitate development initiatives via public bodies such as the Homes and Community Agency and the Greater London Authority.

The company has adequate financial and personnel resources available to deliver quality properties and developments to its valued clients in the public and private sectors.

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Durkan Holdings Limited, the Company's parent undertaking, are discussed within the Strategic Report of the Consolidated Financial Statements of Durkan Holdings Limited which do not form part of this report.

FINANCIAL KEY PERFORMANCE INDICATORS

From the perspective of the Company, key performance indicators are also managed on a basis consistent with those of the Group and are set out in the Strategic Report of the Consolidated Financial Statements of Durkan Holdings Limited which do not form part of this report.

DURKAN LIMITED

STRATEGIC REPORT OF THE DIRECTORS

for the year ended 30 November 2016

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses various financial instruments. These include loans to and from group undertakings, cash, loans and various items, such as trade debtors and trade creditors, which arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, of which the principal ones are liquidity risk and credit risk.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company finances its operations primarily from retained profits.

Credit risk

The company's principal financial assets are Amounts recoverable on contracts and Cash. The risk is mitigated by regular application for and certification of works completed under contractual agreements.

CORPORATE SOCIAL RESPONSIBILITY

The company recognises and acknowledges that the conduct of its business has an impact on its employees, its partners, its customers and suppliers, and the economy, community and environment of its business activities.

RESIDENTS AND COMMUNITIES

It is the nature of construction activities that they affect the daily lives of the residents in whose properties we are working or the local community in which our sites are established. Communication with these groups before, during and upon completion of the construction works is an essential feature of the service we provide.

Our client's investment is also protected by the development of sustainable community and hence we give consideration to the legacy that we leave when the construction activities are at an end.

EMPLOYMENT OF DISABLED PERSONS

The company continues its policy regarding the employment of disabled persons. Full and fair consideration is given to applications for employment by disabled persons having due regard to their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retain them in order that their employment with the company may continue. It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

EQUAL OPPORTUNITIES POLICY

It is the policy of the company to employ persons of any ethnic origin, of either sex, and to employ persons only by considering their ability to carry out the work necessary. This policy applies at all levels of employment.

HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT

The company's Health, Safety and Environmental Management Policy is dedicated to ensuring the prevention of work related injuries or illnesses to our employees and other persons that may arise in connection with our work activities, whilst ensuring that our environmental objectives are also achieved. Health, Safety and Environmental training courses are provided to employees and sub-contractors on a regular basis in order to promote safe and healthy working conditions.

EMPLOYEE INVOLVEMENT

In addition to the annual Company Conference, regular meetings are held with employees to discuss sales, finance and future prospects. Opportunity is given at these meetings for senior management to be questioned about matters which concern the employees. An informative monthly newsletter, which includes articles on the company's performance, future prospects and aspirations, is available to all employees.

DURKAN LIMITED

STRATEGIC REPORT OF THE DIRECTORS

for the year ended 30 November 2016

PAYMENT OF CREDITORS

The company's payment policy for suppliers and sub-contractors is to fix contractual payment terms when agreeing each business transaction, to ensure that suppliers and sub-contractors are aware of these terms and to abide by the agreed terms. Broadly speaking, payments are made by BACS with suppliers being paid at end of month following month of delivery and sub-contractors being paid 30 days from date of valuation of works.

CHARITABLE DONATIONS

The company made charitable donations during the year amounting to £18,455 (2015: £11,308).

This report was approved by the board on 20 April 2017 and signed on its behalf by


Ronan Murphy

Director

Company Registration Number: 897195

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF DURKAN LIMITED

We have audited the financial statements of Durkan Limited for the year ended 30 November 2016 which comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

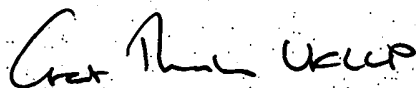
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Philip R Westerman
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
20 April 2017.

DURKAN LIMITED**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 30 November 2016

		30 November 2016 £	10 months ended 30 November 2015 £
TURNOVER	(3)	123,193,938	150,600,836
Cost of sales		(115,617,830)	(137,819,988)
GROSS PROFIT		7,576,108	12,780,848
Administrative expenses		(5,691,418)	(5,659,404)
OPERATING PROFIT	(4)	1,884,690	7,121,444
Interest receivable	(7)	8,749	755,283
Interest payable	(8)	(101,539)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,791,900	7,876,727
Taxation on profit on ordinary activities	(9)	(173,411)	(1,749,190)
PROFIT FOR THE YEAR/PERIOD		1,618,489	6,127,537

There was no other comprehensive income for 2016 (2015: £Nil)

All activities arose from continuing operations.

The notes on pages 10 to 17 form part of these financial statements.


DURKAN LIMITED


STATEMENT OF FINANCIAL POSITION AT 30 NOVEMBER 2016

COMPANY NUMBER: 997195

	<u>Notes</u>	<u>2016</u> <u>£</u>	<u>2015</u> <u>£</u>
FIXED ASSETS			
Tangible assets	(10)	1,070,902	1,275,081
CURRENT ASSETS			
Stocks	(11)	23,446,647	10,462,797
Debtors	(12)	41,655,777	41,046,751
Cash at bank and in hand		6,125,326	25,628,345
		<u>71,227,750</u>	<u>77,137,893</u>
CREDITORS:			
Amounts falling due within one year	(13)	(37,870,833)	(45,603,644)
NET CURRENT ASSETS		<u>33,356,917</u>	<u>31,534,249</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>34,427,819</u>	<u>32,809,330</u>
CAPITAL AND RESERVES			
Share capital	(14)	10,000	10,000
Profit and loss account		34,417,819	32,799,330
SHAREHOLDERS' FUNDS	(15)	<u>34,427,819</u>	<u>32,809,330</u>

The financial statements were approved by the board on 20 April 2017 and signed on its behalf by


Ronan Murphy
Director



The notes on pages 10 to 17 form part of these financial statements.

DURKAN LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 November 2016

	<u>Called up Share Capital</u> £	<u>Profit & Loss account</u> £	<u>Total</u> £
At 31 January 2015	10,000	26,671,793	26,681,793
Total comprehensive income for the period	-	6,127,537	6,127,537
At 30 November 2015	10,000	32,799,330	32,809,330
Total comprehensive income for the year	-	1,618,489	1,618,489
At 30 November 2016	10,000	34,417,819	34,427,819

The notes on pages 10 to 17 form part of these financial statements.

DURKAN LIMITED

Notes to the financial statements

for the year ended 30 November 2016

1 COMPANY INFORMATION

Durkan Limited is a limited company incorporated in England. The registered office is 4 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, WD6 1JD.

2 ACCOUNTING POLICIES

Basis of preparation of financial statements:

The financial statements of Durkan Limited are prepared under the historical cost convention in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements are presented in Sterling (£).

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the company's management to exercise judgement in applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed as appropriate.

There have been no changes in the accounting policies during the year.

Cashflow statement:

In accordance with FRS 102, the company has taken advantage of the exemptions from the requirements to present a statement of cash flows and related disclosures. The financial statements of the company are consolidated in the financial statements of Durkan Holdings Limited and are available from its registered office 4 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, WD6 1JD.

Significant judgements and estimates:

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

Contract accounting. Management's key judgements concern the stage of completion, pricing, costing and completion dates for contracts.

Going concern:

The financial statements have been prepared on the going concern basis, which assumes that the Company will have sufficient funds to continue in operational existence for the foreseeable future. The parent company, Durkan Holdings Limited, has confirmed its continuing support for at least the next twelve months. The company obtained a short term bank loan for financing purposes during the year which is repayable on the sale of a development.

Turnover:

Turnover represents the invoiced and certified value of building contract work exclusive of value added tax.

Finance income:

Finance income is recognised in the statement of comprehensive income at a constant rate on the carrying amount of the balance.

Leasehold Premises and Amortisation:

The cost of improvements to the leasehold premises are amortised over 10 years on a straight line basis.

Tangible Fixed Assets and Depreciation:

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Plant and equipment - over 4 to 7 years

DURKAN LIMITED

Notes to the financial statements

for the year ended 30 November 2016

Operating leases:

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred and any incentives are spread across the lease term.

Stocks:

Stocks are stated at the lower of cost and net realisable value, as follows:

Long-term contract work in progress is valued at cost plus attributable profit less foreseeable losses. Attributable profit is included when the outcome of a contract can be reliably estimated.

The value of certified work is accounted for within turnover. Value is measured as the certified value adjusted for material items between the date of the valuation and the year end.

The excess of certified work over payments received is included in debtors as 'Amounts recoverable on contracts' and the excess of work in progress over certified work is included in stocks as 'Long-term contract balances'.

Payments received on account of contracts and in excess of amounts recoverable are included in creditors as 'Contract payments received on account'.

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.

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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors:

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

Financial Instruments:

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payable or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal terms or financed at a rate of interest that is not market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

Employee benefits:

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

DURKAN LIMITED**Notes to the financial statements****for the year ended 30 November 2016****Deferred taxation:**

Deferred taxation is provided in full on timing differences at the balance sheet date which will result in an obligation to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and laws, with the exception that deferred taxation assets are only recognised to the extent that it is regarded as more likely than not that they will be recovered.

Assignment of balances at financial year end:

Amounts owed to and by wholly owned fellow subsidiary undertakings are assigned at the balance sheet date to the ultimate parent company, namely Durkan Holdings Limited.

3 TURNOVER

All sales were made in the United Kingdom.

	30 November 2016 £	10 months ended 30 November 2015 £
4 OPERATING PROFIT		
Operating profit for the year was arrived at after charging:		
Depreciation of tangible fixed assets	246,902	201,052
Hire of plant and equipment	2,799,018	4,270,820
Operating lease rentals: Motor vehicles	274,797	263,025
Operating lease rentals: Land and Buildings	355,180	295,983
Auditors' remuneration: Audit services	31,600	31,000

5 STAFF COSTS

(i) The average number of employees during the period was:	<u>No.</u>	<u>No.</u>
Directors	12	12
Administrative and technical	177	203
	<u>189</u>	<u>215</u>
(ii) Aggregate costs:	<u>30 November 2016 £</u>	<u>10 months ended 30 November 2015 £</u>
Wages and salaries (including directors)	11,038,462	10,810,676
Social security costs	1,268,096	1,368,112
Pension costs	922,171	688,494
	<u>13,228,729</u>	<u>12,867,282</u>

Defined contribution pension schemes:

Contributions paid during the period amounted to £922,171 (2015: £688,494) and the pension charge represents the amount payable by the company to the various funds in respect of the year.

DURKAN LIMITED**Notes to the financial statements**

for the year ended 30 November 2016

	30 November 2016 £	10 months ended 30 November 2015 £
6 DIRECTORS' REMUNERATION		
Emoluments	1,375,832	1,820,863
Pension contributions	122,836	116,038
	<u>1,498,668</u>	<u>1,936,901</u>
	£	£
Highest paid director:		
Remuneration	319,274	263,335
Pension contributions	<u>31,075</u>	<u>37,545</u>

During the year 10 directors (2015: 10) participated in defined contribution schemes.

	30 November 2016 £	10 months ended 30 November 2015 £
7 INTEREST RECEIVABLE		
Interest receivable from Durkan Holdings Limited	-	750,000
Bank interest	8,749	5,283
	<u>8,749</u>	<u>755,283</u>

	30 November 2016 £	10 months ended 30 November 2015 £
8 INTEREST PAYABLE		
Bank interest	<u>101,539</u>	Nil

DURKAN LIMITED

Notes to the financial statements

for the year ended 30 November 2016

	30 November 2016 £	10 months ended 30 November 2015 £
9 TAXATION		
(a) Tax on profit on ordinary activities		
The tax charge is made up as follows:		
Current tax:		
Corporation tax at 20.00% (2015: 20.19%)	342,849	590,790
Over-provision in prior years	(169,438)	-
	<u>173,411</u>	<u>590,790</u>
Deferred tax:		
Origination and reversal of timing differences		1,158,400
Total deferred tax		<u>1,158,400</u>
Tax on profit/(loss) on ordinary activities	<u>173,411</u>	<u>1,749,190</u>
(b) Factors affecting the total tax charge		
Profit on ordinary activities before tax	<u>1,791,900</u>	<u>7,876,727</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.00% (2015: 20.19%)	358,380	1,590,683
Expenses not deductible for tax purposes	(44,072)	217,964
Excess of depreciation over capital allowances	28,541	13,465
Over-provision in prior year	(169,438)	-
Utilisation of group relief		(61,572)
Other timing differences		(11,350)
	<u>173,411</u>	<u>1,749,190</u>

10. TANGIBLE FIXED ASSETS

Cost:	<u>Leasehold Improvements</u> £	<u>Plant & Equipment</u> £	<u>Total</u> £
At 1 December 2015	917,227	2,234,562	3,151,789
Additions	8,227	34,496	42,723
Disposals	-	-	-
At 30 November 2016	<u>925,454</u>	<u>2,269,058</u>	<u>3,194,512</u>
Amortisation and Depreciation:			
At 1 December 2015	116,667	1,760,041	1,876,708
Disposals	-	-	-
Charge for the year	99,999	146,903	246,902
At 30 November 2016	<u>216,666</u>	<u>1,906,944</u>	<u>2,123,610</u>
Net book value:			
At 30 November 2016	<u>708,788</u>	<u>362,114</u>	<u>1,070,902</u>
At 30 November 2015	<u>800,560</u>	<u>474,521</u>	<u>1,275,081</u>

Notes to the financial statements
for the year ended 30 November 2016

	<u>2016</u> £	<u>2015</u> £
11 STOCKS		
Long-term contract balances	23,446,647	10,462,797
	<u>23,446,647</u>	<u>10,462,797</u>
12 DEBTORS		
Trade debtors – invoiced sales	3,016,151	6,620,093
Amounts recoverable on contracts	4,383,343	3,921,422
Other debtors	1,149	1,174
Corporation tax	1,848,713	-
Other taxes and social security costs	336,023	2,188,012
Prepayments and accrued income	389,912	412,466
Trade debtors – retentions held by clients	8,323,949	9,364,943
	<u>18,299,240</u>	<u>22,508,110</u>
Non-group debtors	18,299,240	22,508,110
Amounts owed by parent undertaking: Durkan Holdings Ltd	23,356,537	18,538,641
	<u>41,655,777</u>	<u>41,046,751</u>
13 CREDITORS:		
Amounts falling due within one year		
Bank loans	6,256,797	-
Trade creditors		
- suppliers	778,855	1,528,420
- sub-contractors and consultants	10,127,705	17,716,716
Contract payments received on account	214,443	3,143,804
Corporation tax	-	458,241
Other taxes and social security costs	535,901	761,868
Other creditors	384,814	503,143
Contract cost accruals and provisions for losses	9,211,746	10,252,047
Overhead accruals and deferred income	1,666,831	2,287,759
Sub-contractor retentions	8,693,741	8,951,646
	<u>37,870,833</u>	<u>45,603,644</u>

The company has a bank loan facility of £7,300,000 regarding its development at Putney. The interest charge for the bank loan is Libor plus 2.75%. The loan is charged against stocks and work in progress and is further secured by a parent company guarantee. At 30 November 2016, the group had utilised £6,256,797 of the facility (2015: £Nil).

	<u>2016</u> £	<u>2015</u> £
14 CALLED UP SHARE CAPITAL		
Authorised, issued and fully paid:		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

DURKAN LIMITED

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for the year ended 30 November 2016

15 CONTINGENT LIABILITIES

At the year end the company had contingent liabilities in respect of contract performance bonds of £13,124,050 (2015: £17,110,295) in respect of:

- a) its own current and completed contracts in the sum of £12,940,349
- b) the current contract of Durkan Estates Clonskeagh Limited of £183,701

16 CAPITAL COMMITMENTS

There were no capital commitments either authorised or contracted for at the balance sheet date (2015: £Nil).

17 OPERATING LEASE COMMITMENTS

At 30 November 2016 the company had future minimum rentals under non-cancellable operation leases as follows:

	Land & Buildings		Motor Vehicles	
	2016	2015	2016	2015
Within one year	420,850	160,906	201,193	200,556
Within two years	1,328,817	1,328,817	240,823	296,872
Over five years	916,844	1,244,994	-	-
	<u>2,666,511</u>	<u>2,734,717</u>	<u>442,016</u>	<u>497,428</u>

18 RELATED PARTY TRANSACTIONS

The company is included within the consolidated financial statements of Durkan Holdings Limited. As a result, the company has taken advantage of the exemptions within Section 33 of FRS 102 and has not disclosed details of related party transactions with entities in the Durkan Holdings Limited group of companies as it is a wholly owned subsidiary.

During the year the company:

- i) Paid rent to Camus Limited in respect of a subsisting lease on a plant yard. William Durkan has a beneficial interest in Camus Limited.

	30 November 2016 £	10 months ended 30 November 2015 £
Camus Limited	<u>92,500</u>	<u>77,083</u>

- ii) Paid market rate annual and licence fees to Easybuild (Construction Software) Limited in respect of computer software services.

	£	£
Easybuild (Construction Software) Limited	<u>34,000</u>	<u>21,668</u>

William Durkan and Daniel Durkan have direct interests in Easybuild (Construction Software) Limited.

At the balance sheet:

At the balance sheet date there were no amounts were due to or from related parties.

DURKAN LIMITED

Notes to the financial statements

for the year ended 30 November 2016

19 PARENT UNDERTAKING AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Durkan Estates Limited.

The ultimate holding company is Durkan Holdings Limited, incorporated in England and Wales.

The largest and smallest group for which accounts have been drawn up is that headed by Durkan Holdings Limited.

20 CONTROLLING RELATED PARTIES

The company's parent company and controller is Durkan Holdings Limited, incorporated in England and Wales. The preferred ordinary shares in Durkan Holdings Limited are ultimately owned by two discretionary trusts: The Sandford Trust (52.5%), economic founder William Durkan, settlor Daniel Durkan and The Hadley Trust (47.5%), settlor Daniel Durkan. The directors are not aware of the identities of the specific Durkan family beneficiaries of these trusts.