Davidsons Developments Limited

Annual Report and Financial Statements

for the 9 month period ended 31 December 2013



Davidsons Developments Limited

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for the 9 month period ended 31 December 2013

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Davidsons Developments Limited

Officers and professional advisors

Company registration number	4346861
Registered office	4 - 8 Kilwardby Street Ashby de la Zouch Leicestershire LE65 2FU
Directors	DW Wilson JD Wilson GM Brown HA Sinclair AG Silber
Secretary	GM Brown
Bankers	Lloyds Bank PLC 7 High Street Leicester LE1 9FS
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Donington Court Pegasus Business Park Castle Donington East Midlands DE74 2UZ
Solicitors	Fishers 4 – 8 Kilwardby Street Ashby de la Zouch Leicestershire LE65 2FU

Davidsons Developments Limited

Strategic report for the 9 month period ended 31 December 2013

The directors present their strategic report and the audited financial statements of the Company for the 9 month period ended 31 December 2013.

Principal activities and business review

The Company is a housing developer and commercial property developer and promotes strategic land for development nationally under the trading name of Davidsons Homes with a registered website of www.davidsonsgroup.co.uk .

The Company sold 200 new homes in the 9 months to December 2013 (12 months to March 2013: 203 homes) including 34 social houses (12 months to March 2013: 52) and operated from 7 sites on average during the period (12 month to 31 March 2013: 7). The majority of these sites are in the East Midlands with the exception of one site in Peterborough. In addition, we operate on one commercial site at Northampton.

The Company continues to expand and has had success in the period / year with its strategic land portfolio. Going forward we will be expanding our physical area of activity further south from our Leicestershire base.

Principal risks and uncertainties

The principal risks faced by Davidsons Developments are the availability of land, obtaining planning permissions, sourcing building materials and the availability of funding for house buyers.

Financial and non-financial key performance indicators

The business uses a variety of KPI's to help monitor performance. In particular it monitors the movement in the sales rate per site, construction activity, active sites, unsold plots, payroll, sales incentives and sales price per foot. The company also monitors health and safety statistics and investigates any trends arising.

On behalf of the Board

J D Wilson
Director
16 April 2014

Directors' report for the 9 month period ended 31 December 2013

The directors present their report and the audited financial statements for the 9 month period ended 31 December 2013.

Charitable Donations

The Company made various charitable donations totalling £200 in the 9 month period ended 31 December 2013 (year ended 31 March 2013: £3,170).

Results and dividends

The profit for the 9 month period amounted to £4,103,000 (12 months ending March 2013: £4,553,000). The directors approved an interim dividend of £2,275,000, equivalent to £0.28 per share (year ended 31 March 2013: £1,500,000 equivalent to £0.18 per share) which was paid 30 September 2013. The directors have not recommended a final dividend for 9 month period ending 31 December 2013 (year ended 31 March 2013: £nil).

Financial risk management

The Company uses various financial instruments to manage the financial risk in the Company. These include loans, cash, trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

Liquidity risk

The Company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet the foreseeable needs of the Company and to invest cash assets safely and profitably. The directors review the Company's treasury policy on an ongoing basis.

Directors

The directors who held office during the period and up to the date of signing the financial statements are given below:

D W Wilson (Chairman)
J D Wilson
G M Brown
A G Silber
H A Sinclair

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 prepared 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

Directors' report for the 9 month period ended 31 December 2013 (continued)

Statement of directors' responsibilities (continued)

- 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under Section 418 of the Companies Act 2006, the following applies:

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

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office, and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies act 2006.

On behalf of the Board,

JD Wilson
Director
16 April 2014

Independent auditors' report to the members of Davidsons Developments Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the period 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Davidsons Developments Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 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 other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Davidsons Developments Limited (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Paul Norbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
23 April 2014

Davidsons Developments Limited

Profit and loss account for the 9 month period ended 31 December 2013

	Notes	9 month period ended 31 December 2013 £000	Year ended 31 March 2013 £000
Turnover	1,2	**37,163**	36,580
Cost of sales		**(28,641)**	(28,559)
Gross profit		**8,522**	8,021
Administrative expenses	3	**(3,062)**	(3,057)
Operating profit	4	**5,460**	4,964
Interest receivable and similar income		**13**	31
Interest payable and similar charges	8	**(120)**	(27)
Profit on ordinary activities before tax		**5,353**	4,968
Tax on profit on ordinary activities	9	**(1,250)**	(415)
Profit for the financial year	19	**4,103**	4,553

All of the activities of the Company are classed as continuing for both financial period / year.

There are no material differences between the profit on ordinary activities before tax and the profit for the financial period/ year as state above and their historical cost equivalents.

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

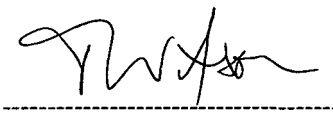
The accompanying notes on pages 9 to 20 form part of these financial statements.

Davidsons Developments Limited

Balance sheet as at 31 December 2013

	Note	December 2013 £000	March 2013 £000
Fixed assets			
Tangible assets	10	**2,145**	2,102
Investments in subsidiary undertakings	11	**-**	-
		2,145	2,102
Current Assets			
Stocks	12	**62,774**	42,591
Debtors: amounts falling due within one year	13	**10,966**	13,605
Debtors: amounts falling due after more than one year	13	**20,722**	20,696
Cash at bank and in hand		**3,151**	8,078
		97,613	84,970
Creditors: amounts falling due within one year	14	**(17,043)**	(6,185)
Net current assets		**80,570**	78,785
Net assets		**82,715**	80,887
Capital and reserves			
Called-up share capital	18	**73,500**	73,500
Profit and loss account	19	**9,215**	7,387
Total shareholders' fund	20	**82,715**	80,887

These financial statements were approved by the directors on the 16 April 2014 and are signed on their behalf by: -



J D Wilson

The accompanying notes on pages 9 to 20 form part of these financial statements.

Notes to the financial statements for the 9 month period ended 31 December 2013

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and Companies Act 2006. The principal accounting policies have been applied on a consistent basis for both the current period and prior financial year.

Consolidation

The Company is a wholly-owned subsidiary and in accordance with Section 401 of the Companies Act 2006, is not required to produce, and has not published, consolidated financial statements (note 21).

Cash flow statement

The directors have taken advantage of the exemption of Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its parent publishes a consolidated cash flow statement (note 21).

Turnover

The turnover shown in the profit and loss account represents amounts receivable for the provision of goods and services supplied to customers during the year, exclusive of Value added Tax.

Turnover on residential properties, commercial properties and land is recognised at completion when legal title is transferred. Turnover on residential properties excludes the sale of properties accepted in part exchange, whereby the net profits or losses arising on the sale of part exchange properties are dealt with in cost of sales.

Turnover arising from shared equity contracts is recognised on completion; the element relating to deferred equity is recorded on the balance sheet discounted at an appropriate cost of capital over the term of the contract and is repayable at the earlier subsequent sale of the property or on the 10th anniversary of the sale.

Fixed assets

All fixed assets are initially recorded at cost. Tangible fixed assets are then stated at historic purchase cost less accumulated depreciation.

Depreciation

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

Freehold property	-	50 years
Freehold improvements	-	5 years
Plant & Machinery	-	4 years
Fixtures & Fittings	-	4 years
Motor Vehicles	-	4 years
Computers	-	3 years

Notes to the financial statements for the 9 month period ended 31 December 2013 (continued)

1. Principal accounting policies (continued)

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any appropriate provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity and is valued at the lower of cost and net realisable value. Provision is made for any foreseeable losses where appropriate.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessors are charged against profits on a straight line basis over the period of the lease.

Pension costs

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account.

Tax

UK corporation tax is provided at amounts expected to be paid using tax rates and laws that have been enacted or substantially enacted by the balance sheet date. 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument those financial instruments are classed as financial liabilities.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to profit and loss reserves.

Notes to the financial statements for the 9 month period ended 31 December 2013 (continued)

2. Turnover

Turnover is attributable to the principal activities of the Company and all arises in the UK:

	9 month period ended 31 December 2013	Year ended 31 March 2013
	£000	£000
House building	**36,556**	36,168
Other sales	**607**	412
	37,163	36,580

3. Administrative expenses

	9 month period ended 31 December 2013	Year ended 31 March 2013
	£000	£000
Administrative expenses	**3,062**	3,057

4. Operating profit

Operating profit is stated after charging:

	9 month period ended 31 December 2013	Year ended 31 March 2013
	£000	£000
Depreciation of owned fixed assets (see note 10)	**58**	70
Operating lease costs: Plant and equipment	**5**	4
Services provided by the Company's auditors - fees payable for the audit	**27**	26

Notes to the financial statements for the 9 month period ended 31 December 2013 (continued)

5. Particulars of employees

The average number of staff employed by the Company (including executive directors) during the financial period / year were:

	9 month period ended 31 December 2013	Year ended 31 March 2013
	No.	No.
Number of production and selling staff	**40**	34
Number of management and administration staff	**31**	23
	71	57

The aggregate payroll costs of the above were:

	9 month period ended 31 December 2013	Year ended 31 March 2013
	£000	£000
Wages and salaries	**2,229**	2,367
Social security costs	**245**	242
Other pension costs (note 22)	**87**	85
	2,561	2,694

6. Directors' emoluments

In the current period and prior financial years, directors' remuneration was paid through the Company's parent company, Beacon Hill Group 2010 Limited. The Company has received a recharge in respect of directors' services of £75,000 for the 9 month period ended 31 December 2013 (year ended March 2013: £100,000).

7. Dividends

	9 month period ended 31 December 2013	Year ended 31 March 2013
	£000	£000
Interim dividend of £0.28 per ordinary share (year ended 31 March 2013: £0.18 per ordinary share)	**2,275**	1,500

8. Interest payable and similar charges

	9 month period ended 31 December 2013	Year ended 31 March 2013
	£000	£000
Other similar charges payable	120	27

9. Tax on profit on ordinary activities

	9 month period ended 31 December 2013	Year ended 31 March 2013
	£000	£000
(a) Analysis of charge in the period / year		
Current tax:		
UK corporation tax based on the results for the period at 23% (year ended 31 March 2013 24%)	1,220	506
Adjustment in respect of previous periods	4	-
Total current tax	1,224	506
Origination and reversal of timing differences	17	(95)
Effect of changes in tax rates	9	4
Total deferred tax	26	(91)
Tax on profit on ordinary activities	1,250	415

9. Tax on profit on ordinary activities (continued)

The tax assessed for the period is higher (year ended 31 March 2013: lower) than the standard effective rate of corporation tax in the UK for the 9 months ended 31 December 2013 of 23% (year ended 31 March 2013: 24%). The differences are explained below:

	9 month period ended 31 December 2013	Year ended 31 March 2013
	£000	£000
Profit on ordinary activities before tax	**5,353**	4,968
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 23% (year ended 31 March 2013: 24%)	**1,231**	1,192
Expenses not deductible for tax purposes	**6**	8
Difference between capital allowances and depreciation	**(15)**	(6)
Short term timing differences	**(2)**	1
Utilisation of tax losses	**-**	(689)
Adjustment to tax charge in respect of previous periods	**4**	-
Total current tax charge for the year	**1,224**	506

Factors affecting the future tax charge

The standard rate of UK corporation tax in the year changed from 24% to 23% with effect from 1 April 2013 and will change to 21% from 1 April 2014 and 20% from 1 April 2015. UK deferred tax is therefore recognised at the reduced rate of 20%.

10. Tangible fixed assets

	Freehold property £000	Freehold improve-ments £000	Plant & machinery £000	Fixtures & fittings £000	Motor vehicles £000	Computers £000	Total £000
Cost							
At 1 April 2013	2,002	143	13	55	87	217	2,517
Additions	-	-	-	-	40	61	101
At 31 December 2013	**2,002**	**143**	**13**	**55**	**127**	**278**	**2,618**
Depreciation							
At 1 April 2013	32	75	11	50	35	212	415
Charge for the period	6	17	2	3	17	13	58
At 31 December 2013	**38**	**92**	**13**	**53**	**52**	**225**	**473**
Net book value							
At 31 December 2013	**1,964**	**51**	**0**	**2**	**75**	**53**	**2,145**
At 31 March 2013	1,970	68	2	5	52	5	2,102

11. Investments in subsidiary undertakings

As at 31 December 2013 and at 31 March 2013, the Company has the following wholly owned subsidiary undertakings:

	Country of Incorporation	Holding	Nature of business
Davidsons Group Limited	England	Ordinary Shares	Dormant
Davidsons Homes Limited	England	Ordinary Shares	Dormant
Davidsons Land Limited	England	Ordinary Shares	Dormant
Davidsons Properties Limited	England	Ordinary Shares	Dormant
Go Plant Construction Equipment Limited (formerly Davidsons Developments Midlands Limited)	England	Ordinary Shares	Plant Hire

The cost of these investments as at 31 December 2013 and 31 March 2013 was £100 per company.

12. Stocks

	31 December 2013	31 March 2013
	£000	£000
Work in progress	**21,326**	18,295
Land	**41,448**	24,296
	62,774	42,591

13. Debtors

Debtors : amounts falling due within one year

	31 December 2013	31 March 2013
	£000	£000
Trade debtors	**633**	126
Amounts owed by group undertakings	**9,753**	12,728
Amounts owed by related parties	**8**	7
Deferred tax (see note 15)	**65**	91
Other debtors	**381**	361
Prepayment and accrued income	**126**	292
	10,966	13,605

Debtors : amounts falling due after more than one year

	31 December 2013	31 March 2013
	£000	£000
Amounts owed by group undertakings	**20,000**	20,000
Other debtors	**722**	696
	20,722	20,696

Amount relating to intra-group debt are not repayable before 1 February 2015 and are unsecured and interest free.

14. Creditors

Creditors: amounts falling due within one year	**31 December 2013**	31 March 2013
	£000	£000
Trade creditors	**4,338**	4,020
Amounts owed to related parties	**2**	-
Amounts owed to group undertakings	**264**	-
Other tax and social security	**144**	132
Corporation tax	**636**	334
Other creditors	**4,798**	879
Bank loans	**6,000**	-
Accruals and deferred income	**861**	820
	17,043	6,185

15. Provisions for liabilities and charges

The company's provision for deferred tax consists of the tax effect of timing differences in respect of:
Provisions for deferred tax.

	31 December 2013		31 March 2013	
	Provided	**Unprovided**	Provided	Unprovided
	£000	**£000**	£000	£000
Excess of tax allowances over depreciation on fixed assets	**63**	**-**	88	-
Short term timing differences	**2**	**-**	3	-
Losses	**-**	**-**	-	-
Deferred tax asset	**65**	**-**	91	-

16. Commitments under operating leases

The Company had annual commitments under non-cancellable operating leases expiring as follows:

	31 December 2013	31 March 2013
	£000	£000
Within 1 year	7	2
Within 2 to 5 years	11	-
	18	2

17. Related Party Transactions

As a wholly owned subsidiary of Beacon Hill Group 2010 Limited, the Company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Beacon Hill Group 2010 Limited on the grounds that the financial statements are publically available from Companies House (note 21).

At 31 December 2013, there was an amount of £nil (March 2013: £nil) due from D W Wilson for work performed by Davidsons Developments Limited. At 31 December 2013, there was an amount of £nil (March 2013: £18,298) included within other debtors in relation to work performed on behalf of D W Wilson which was yet to be recharged. Amounts recharged to D.W. Wilson for work performed by Davidsons Developments Limited in the period totalled £20,000 (2013: £43,600).

At 31 December 2013, there was an amount of £185,924 (March 2013: £nil) included within other debtors in relation to work performed on behalf of Wilson Enterprises Limited which was yet to be recharged. Amounts recharged for work performed by Davidsons Developments Limited on behalf of Wilson Enterprises Limited in the period totalled £161,307 (2013: £nil). In August 2013 Davidsons Developments and Wilson Enterprises Limited jointly purchased a residential development site for £14,025,050, each party paid 50% of the purchase price. D W Wilson is a shareholder of Wilson Enterprises Limited.

At 31 December 2013, there was an amount of £nil (March 2013: £1,877) due from Flightpath Limited for work performed by Davidsons Developments Limited on its behalf. Amounts recharged in the period totalled £1,030 (2013: £8,888). At 31 December 2013, there was an amount of £nil (March 2013: £ nil) included in other debtors in relation to work performed on behalf of Flightpath which was yet to be recharged at the period end. Flightpath Limited is owned by J D Wilson.

At 31 December 2013, there was an amount of £6,085 (March 2013: £4,237) due from Westernrange Limited for work performed by Davidsons Developments Limited. At 31 December 2013, there was an amount of £2,880 (March 2013: £2,151) included in debtors in relation to work performed on behalf of Westernrange which was yet to be recharged at the period end. Amounts recharged in the period totalled £47,407 (2013: £52,661). J D Wilson is a 25% shareholder in Westernrange.

At 31 December 2013, there was an amount of £nil (March 2013: £ nil) included in other debtors in relation to work performed on behalf of Knighton Park Partnership. JD Wilson is a partner in the Knighton Park Partnership.

17. Related Party Transactions (continued)

At 31 December 2013, there was an amount of £1,504 (March 2013: £132) due from JD Wilson for work performed by Davidsons Developments Limited. At 31 December 2013, there was an amount of £nil (March 2013: £11) included within other debtors in relation to work performed on behalf of JD Wilson which was yet to be recharged. Amounts recharged in the period totalled £4,531 (2013: £4,903).

At 31 December 2013, there was an amount of £nil (March 2013: £ nil) included in other debtors in relation to work performed on behalf of RC Wilson which was yet to be recharged at the period end. Amounts recharged in the period totalled £nil to R2 Developments (2013: £113).

At 31 December 2013, there was an amount £nil (March 2013: £nil) due from Lowesby Farms for work performed by Davidsons Development Limited. At 31 December 2013 there was an amount of £nil (March 2013: £nil) included within debtors in relation to work performed on behalf of Lowesby Farms which has yet to be recharged. D W Wilson is a shareholder of Lowesby Farms. Amounts recharged in the period totalled £1,596 to Lowesby Farms (2013: £8,133).

At 31 December 2013, there was an amount of £190 (March 2013: £83) due from DCS 452 Limited for work performed by Davidsons Development Limited. At 31 December 2013 there was an amount of £32 (March 2013: £nil) included within debtors in relation to work performed on behalf of DCS 452 Limited which has yet to be recharged. DCS 452 Limited is owned by J D Wilson. Amounts recharged in the period total £253 to DCS 452 Limited (March 2013: £572).

At 31 December 2013, there was an amount of £nil (March 2013: £1,050) due from Thurcaston Park Trust for work performed by Davidsons Development Limited. J D Wilson is a beneficiary of Thurcaston Park Trust. Amounts recharged in the period totalled £nil to Thurcaston Park Trust (2013: £875).

18. Called up share capital

Allotted, called up and fully paid:

	31 December 2013		31 March 2013	
	No	**£000**	No	£000
4,200,000 Ordinary 'A' shares of £1 each	**4,200,000**	**£4,200**	4,200,000	£4,200
2,000,000 Ordinary 'C' shares of £1 each	**2,000,000**	**£2,000**	2,000,000	£2,000
2,000,000 Ordinary 'D' shares of £1 each	**2,000,000**	**£2,000**	2,000,000	£2,000
63,300,000 Redeemable Preference shares of £1 each	**65,300,000**	**£65,300**	65,300,000	£65,300
	73,500,000	**£73,500**	73,500,000	£73,500

The 'A', 'C' and 'D' ordinary shares rank pari passu with regards to dividend and voting rights. On a winding up of the Company or other return of capital the order of priority after the redeemable preference shares is first the 'C' ordinary shares, then the 'D' ordinary shares and finally the 'A' ordinary shares.

The redeemable preference shareholders have no rights to dividend income and are redeemable at the option of the Company not the holder.

Notes to the financial statements for the 9 month period ended 31 December 2013 (continued)

19. Profit and loss account

	9 months ended 31 December 2013	Year ended 31 March 2013
	£000	£000
Balance brought forward	**7,387**	4,334
Interim dividend	**(2,275)**	(1,500)
Profit for the financial period/year	**4,103**	4,553
Balance carried forward	**9,215**	7,387

20. Reconciliation of movements in shareholders' funds

	31 December 2013	31 March 2013
	£000	£000
Opening shareholders' funds	**80,887**	77,834
Interim dividend	**(2,275)**	(1,500)
Profit for the financial period/year	**4,103**	4,553
Closing shareholders' funds	**82,715**	80,887

21. Immediate parent company and ultimate controlling party

The Company's immediate parent company is Beacon Hill Group 2010 Limited, a company registered in Jersey. The directors consider that there is no ultimate controlling party. Copies of the consolidated group financial statements are available from Companies House.

22. Pension commitments

The charge to the profit and loss account in respect of pension contributions for the 9 month period ended 31 December 2013 was £87,000 (year ended 31 March 2013: £85,000). As at 31 December 2013, there were outstanding contributions payable of £7,000 (31 March 2013: £6,000).

23. Contingent liabilities

In the normal course of business the company has given counter indemnities in respect of performance bonds and financial guarantees Management estimate that the bonds and guarantees at 31 December 2013 amount to £7,036,000 (31 March 2013: £5,609,000) and confirm that at the date of these financial statements the possibility of cash outflow is considered minimal and no provision is required.