Davidsons Developments Limited

Annual Report and Financial Statements

for the year ended 31 December 2014

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Davidsons Developments Limited

Annual Report and Financial Statements

for the year ended 31 December 2014

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Davidsons Developments Limited

Officers and professional advisors

Company registration number	4346861
Registered office	c/o Fishers Solicitors 4 - 8 Kilwardby Street Ashby de la Zouch Leicestershire LE65 2FU
Directors	DW Wilson JD Wilson GM Brown 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 Herald Way East Midlands DE74 2UZ
Solicitors	Fishers Solicitors 4 – 8 Kilwardby Street Ashby de la Zouch Leicestershire LE65 2FU

Strategic report for the year ended 31 December 2014

The directors present their strategic report and the audited financial statements of the Company for the year ended 31 December 2014.

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 253 new homes in the year to December 2014 (9 months to December 2013: 200 homes) including 49 social houses (9 month period to December 2013: 34) and operated from 9 sites on average during the year (9 month period to 31 December 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 year with its strategic land portfolio. We continue to expand our physical area of activity further south from our Leicestershire base.

Principal risks and uncertainties

The principal risks faced by Davidsons Developments Limited 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 KPIs 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
13 May 2015

Directors' report for the year ended 31 December 2014

The directors present their report and the audited financial statements for the year ended 31 December 2014.

Charitable Donations

The Company made various charitable donations totalling £100 in the year ended 31 December 2014 (9 month period ended 31 December 2013: £200).

Results and dividends

The profit for the financial year amounted to £8,444,000 (9 month ending December 2013: £4,103,000). The directors approved an interim dividend of £2,051,000, equivalent to £0.25 per share (9 month period ended 31 December 2013: £2,275,000 equivalent to £0.28 per share) which was paid 31 July 2014. The directors have not recommended a final dividend for year ending 31 December 2014 (9 month period ended 31 December 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 year 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

Mr H A Sinclair retired from the Board on 30 June 2014.

Future Developments

A review of the business and an indication of likely future developments are included in the strategic report.

Directors' report for the year ended 31 December 2014 (continued)

Employees

The group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status.

The group gives full and fair consideration to applications for employment for disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

It is the policy of the Company that training, career development and promotion opportunities should be available to all employees.

The Company has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Company.

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:

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.

Directors' report for the year ended 31 December 2014 (continued)

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
13 May 2015

Independent auditors' report to the members of Davidsons Developments Ltd

Our opinion

In our opinion, Davidsons Developments Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

What we have audited

Davidsons Development Limited's financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year ended 31 December 2014; 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 the preparation of the financial statements 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.

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 year 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.

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.

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

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 page 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 International Standards on Auditing (UK and Ireland) ("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.

What an audit of financial statements involves

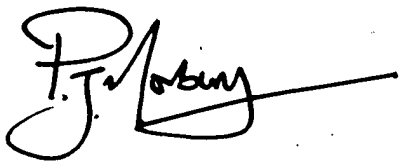
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.



Paul Norbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
16 June 2015

Profit and loss account for the year ended 31 December 2014

	Notes	Year ended 31 December 2014 £000	9 month period ended 31 December 2013 £000
Turnover	1,2	**59,777**	37,163
Cost of sales		**(42,765)**	(28,641)
Gross profit		**17,012**	8,522
Administrative expenses		**(5,817)**	(3,062)
Operating profit	3	**11,195**	5,460
Interest receivable and similar income		**8**	13
Interest payable and similar charges	7	**(416)**	(120)
Profit on ordinary activities before tax		**10,787**	5,353
Tax on profit on ordinary activities	8	**(2,343)**	(1,250)
Profit for the financial year / period	18	**8,444**	4,103

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

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

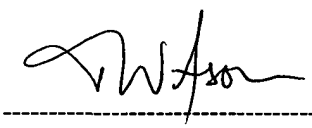
The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

The accompanying notes on pages 10 and 21 form part of these financial statements.

Balance sheet as at 31 December 2014

	Note	31 December 2014 £000	31 December 2013 £000
Fixed assets			
Tangible assets	9	**2,232**	2,145
Investments	10	**-**	-
		2,232	2,145
Current Assets			
Stocks	11	**69,439**	62,774
Debtors: amounts falling due within one year	12	**12,834**	10,966
Debtors: amounts falling due after more than one year	12	**20,758**	20,722
Cash at bank and in hand		**3,598**	3,151
		106,629	97,613
Creditors: amounts falling due within one year	13	**(19,753)**	(17,043)
Net current assets		**86,876**	80,570
Total assets less current liabilities		**89,108**	82,715
Net assets		**89,108**	82,715
Capital and reserves			
Called-up share capital	17	**73,500**	73,500
Profit and loss account	18	**15,608**	9,215
Total shareholders' funds	19	**89,108**	82,715

These financial statements were approved by the directors on the 13 May 2015 and are signed on their behalf by: -



J D Wilson

The accompanying notes on pages 10 to 21 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2014

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 year and prior financial period. The financial statements have been prepared on a going concern basis.

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 buildings	-	50 years
Freehold improvements	-	5-10 years
Plant & Machinery	-	4 years
Fixtures & Fittings	-	4 years
Motor Vehicles	-	4 years
Computers	-	3 years

Notes to the financial statements for the year ended 31 December 2014 (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 year ended 31 December 2014 (continued)

2. Turnover

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

	Year ended 31 December 2014	9 month period ended 31 December 2013
	£000	£000
House building	**56,933**	36,556
Land sales	**2,387**	-
Other sales	**457**	607
	59,777	37,163

3. Operating profit

Operating profit is stated after charging:

	Year ended 31 December 2014	9 month period ended 31 December 2013
	£000	£000
Depreciation of owned fixed assets (see note 10)	**91**	58
Operating lease costs: Plant and equipment	**8**	5
Services provided by the Company's auditors - fees payable for the audit	**29**	27

Notes to the financial statements for the year ended 31 December 2014 (continued)

4. Particulars of employees

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

	Year ended 31 December 2014	9 month period ended 31 December 2013
	No.	No.
Number of production and selling staff	**52**	40
Number of management and administration staff	**41**	31
	93	71

The aggregate payroll costs of the above were:

	Year ended 31 December 2014	9 month period ended 31 December 2013
	£000	£000
Wages and salaries	**3,999**	2,229
Social security costs	**447**	245
Other pension costs (note 21)	**151**	87
	4,597	2,561

5. Directors emoluments

In the current year and prior financial period, 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 £200,000 for the year ended 31 December 2014 (9 month period ended December 2013: £75,000).

6. Dividends

	Year ended 31 December 2014	9 month period ended 31 December 2013
	£000	£000
Interim dividend of £0.25 per ordinary share (9 month ended 31 December 2013: £0.28 per ordinary share)	**2,051**	2,275

Notes to the financial statements for the year ended 31 December 2014 (continued)

7. Interest payable and similar charges

	Year ended 31 December 2014	9 month period ended 31 December 2013
	£000	£000
Interest payable on bank borrowings	**250**	9
Other similar charges payable	**166**	111
	416	120

8. Tax on profit on ordinary activities

	Year ended 31 December 2014	9 month period ended 31 December 2013
	£000	£000
Analysis of charge in the year / period		
Current tax:		
UK corporation tax based on the results for the year at 21.5% (9 months ended 31 December 2014 23%)	**2,319**	1,220
Adjustment in respect of previous periods	**-**	4
Total current tax	**2,319**	1,224
Origination and reversal of timing differences	**26**	17
Effect of changes in tax rates	**(2)**	9
Total deferred tax	**24**	26
Tax on profit on ordinary activities	**2,343**	1,250

Notes to the financial statements for the year ended 31 December 2014 (continued)

8. Tax on profit on ordinary activities (continued)

The tax assessed for the year is the same as (9 months ended 31 December 2013: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2014 of 21.5% (9 months ended 31 December 2013: 23%). The differences are explained below:

	Year ended 31 December 2014	9 month period ended 31 December 2013
	£000	£000
Profit on ordinary activities before tax	**10,786**	5,353
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 21.5% (9 months ended 31 December 2013: 23%)	**2,319**	1,231
Expenses not deductible for tax purposes	**26**	6
Difference between capital allowances and depreciation	**(25)**	(15)
Short term timing differences	**(1)**	(2)
Adjustment to tax charge in respect of previous periods	**-**	4
Total current tax charge for the year / period	**2,319**	1,224

Factors affecting the future tax charge

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

Notes to the financial statements for the year ended 31 December 2014 (continued)

9. Tangible fixed assets

	Freehold property	Plant machinery & Motor vehicle	Fixtures fittings & computers	Total
	£000	£000	£000	£000
Cost				
At 1 January 2014	2,145	140	333	2,618
Additions	64	89	45	198
Disposals	-	(63)	-	(63)
At 31 December 2014	**2,209**	**166**	**378**	**2,753**
Depreciation				
At 1 January 2014	130	65	278	473
Charge for the period	31	28	32	91
Disposals	-	(43)	-	(43)
At 31 December 2014	**161**	**50**	**310**	**521**
Net book value				
At 31 December 2014	**2,048**	**116**	**68**	**2,232**
At 31 December 2013	2,015	75	55	2,145

10. Investments

As at 31 December 2014 and at 31 December 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
Davidsons Estates Limited (incorporated 18 June 2014)	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 2014 and 31 December 2013 was £100 per company, except Davidsons Estates Limited that cost £2.

Notes to the financial statements for the year ended 31 December 2014 (continued)

11. Stocks

	31 December 2014	31 December 2013
	£000	£000
Work in progress	**30,260**	21,326
Land	**39,179**	41,448
	69,439	62,774

12. Debtors

Debtors : amounts falling due within one year

	31 December 2014	31 December 2013
	£000	£000
Trade debtors	**575**	633
Amounts owed by group undertakings	**11,377**	9,753
Amounts owed by related parties	**189**	8
Deferred tax (see note 14)	**41**	65
Other debtors	**501**	381
Prepayment and accrued income	**151**	126
	12,834	10,966

Debtors : amounts falling due after more than one year

	31 December 2014	31 December 2013
	£000	£000
Amounts owed by group undertakings	**20,000**	20,000
Other debtors	**758**	722
	20,758	20,722

Amount relating to intra-group debt are not repayable before 1 February 2016 and are unsecured and interest free.

Notes to the financial statements for the year ended 31 December 2014 (continued)

13. Creditors

Creditors: amounts falling due within one year	**31 December 2014**	31 December 2013
	£000	£000
Bank loans and overdrafts	**8,000**	6,000
Trade creditors	**4,758**	4,338
Amounts owed to group undertakings	**338**	264
Amounts owed to related parties	**2,356**	2
Other taxation and social security	**228**	144
Corporation tax	**1,256**	636
Other creditors	**1,112**	4,798
Accruals and deferred income	**1,705**	861
	19,753	17,043

Bank loans and overdrafts are secured by a debenture over the assets and bear interest at 2.05% over LIBOR and 2.25% over bank base rate (9 month period ended 31 December 2013: 2.05% over LIBOR and 2.25% over bank base rate).

14. 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 2014		31 December 2013	
	Provided	**Unprovided**	Provided	Unprovided
	£000	**£000**	£000	£000
Excess of tax allowances over depreciation on fixed assets	**41**	**-**	63	-
Short term timing differences	**-**	**-**	2	-
Deferred tax asset	**41**	**-**	65	-

Notes to the financial statements for the year ended 31 December 2014 (continued)

14. Provisions for liabilities and charges (continued)

Deferred tax	£000
Deferred tax asset as at 1 January 2014	65
Charge to the profit and loss account (note 8)	(24)
Deferred tax asset as at 1 January 2014 (note 12)	41

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset and therefore the asset has been recognised in these financial statements.

15. Commitments under operating leases

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

	31 December 2014	**31 December 2014**	31 December 2013	31 December 2013
	Land and buildings	**Other items**	Land and buildings	Other items
	£000	**£000**	£000	£000
Within 1 year	**-**	**9**	-	7
Within 2 to 5 years	**-**	**12**	-	11
	-	**21**	-	18

16. 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 2014, there was an amount of £1,499,788 (December 2013: £nil) due to Wilson Enterprises Limited for payments made on account for work performed by Davidsons Developments Limited. At 31 December 2014, there was an amount of £18,725 (December 2013: £185,924) 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 year totalled £1,366,297 (December 2013: £161,307). D W Wilson is a shareholder of Wilson Enterprises Limited.

At 31 December 2014, there was an amount of £187,592 (December 2013: £6,085) due from Westernrange Limited for work performed by Davidsons Developments Limited.

Notes to the financial statements for the year ended 31 December 2014 (continued)

16. Related Party Transactions (continued)

At 31 December 2014, there was an amount of £1,655 (December 2013: £2,880) included in debtors in relation to work performed on behalf of Westernrange which was yet to be recharged at the year end. Amounts recharged in the period totalled £188,390 (December 2013: £47,407). J D Wilson is a 25% shareholder in Westernrange.

There are loans outstanding at December 2014 of £605,912 and £250,000 due to Westernrange Limited (December 2013: £nil).

17. Called up share capital

Allotted, called up and fully paid:

	31 December 2014		31 December 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
65,300,000 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.

17. Profit and loss account

	31 December 2014	31 December 2013
	£000	£000
Balance brought forward	**9,215**	7,387
Interim dividend	**(2,051)**	(2,275)
Profit for the financial year / period	**8,444**	4,103
Balance carried forward	**15,608**	9,215

Notes to the financial statements for the year ended 31 December 2014 (continued)

18. Reconciliation of movements in shareholders' funds

	31 December 2014	31 December 2013
	£000	£000
Opening shareholders' funds	**82,715**	80,887
Interim dividend	**(2,051)**	(2,275)
Profit for the financial year / period	**8,444**	4,103
Closing shareholders' funds	**89,108**	82,715

19. Immediate parent company and ultimate controlling party

The company's immediate and ultimate parent company is Beacon Hill Group 2010 Limited, a company registered in Jersey. Beacon Hill Group 2010 Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. The directors consider that there is no ultimate controlling party. Copies of the consolidated group financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

20. Pension commitments

The charge to the profit and loss account in respect of pension contributions for the year ended 31 December 2014 was £151,000 (period ended 31 December 2013: £87,000). As at 31 December 2014, there were outstanding contributions payable of £1,000 (31 December 2013: £7,000).

21. 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 2014 amount to £7,746,000 (31 December 2013: £7,461,000) and confirm that at the date of these financial statements the possibility of cash outflow is considered minimal and no provision is required.