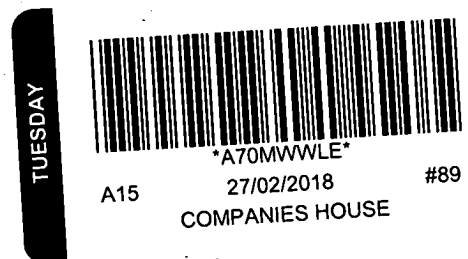


GMI Construction Group Plc
Financial Statements
For the year ended
30 September 2017



GMI Construction Group Plc

Financial Statements

Year ended 30 September 2017

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GMI Construction Group Plc

Officers and Professional Advisers

The board of directors

J Best
R A Bruce
D Price
D J Shann
P Whitaker
M Banks
L Powell

Company secretary

D M Lush

Registered office

Middleton House
Westland Road
Leeds
LS11 5UH

Auditor

Ford Campbell Freedman Limited
Chartered accountant & statutory auditor
34 Park Cross Street
Leeds
LS1 2QH

Bankers

Barclays Bank Plc
2nd Floor
1 Park Row
Leeds
LS1 5WU

GMI Construction Group Plc

Strategic Report

Year ended 30 September 2017

The principal activity of the company during the year was that of property construction.

The trading results for the year and the company's financial position at the year end are shown in the attached financial statements.

Business Review & Results

Turnover for the year ended 30 September 2017 has reduced compared to the previous year, however Gross Profit has improved significantly as can be seen in the Key Performance Indicators (KPIs) table below:

	2017 £'000	2016 £'000	2015 £'000
Turnover	63,261	79,372	56,166
Gross Profit	8,808	6,515	4,905
As a % of turnover	13.9%	8.2%	8.7%
Bank Loans & Overdrafts	Nil	Nil	Nil

The nature of the business, which involves the delivery of projects of different size and duration, means that turnover levels fluctuate year on year within a range that the Directors monitor and control. Notwithstanding the reduced level of turnover compared to the previous year, a healthy level of profit has been achieved at an increased percentage of turnover, and the Directors are very pleased with the financial performance of the company during the year.

Directors are pleased to confirm that a new operating division has been established, located in Manchester, in order to serve the company's existing clients operating in that region more efficiently and effectively and to facilitate the growth of its client base.

The Directors do not consider that there are appropriate non-financial KPIs relevant to the understanding of the business and therefore none are disclosed.

GMI Construction Group Plc

Strategic Report *(continued)*

Year ended 30 September 2017

Principal Risks & Uncertainties

The company operates in the construction industry and in common with all companies in this sector faces the risks arising from the project management of significant construction projects. The Directors are confident that they have an extremely robust system of internal controls, including the constant review of ongoing contracts, as is necessary to monitor and manage these risks. The business model under which the company operates ensures that cash flow is strongly positive and its balance sheet is always robust enough to support the level of activity in which it is involved.

GMI Construction continues to maintain its Dun & Bradstreet "D&B Risk Rating" 1 which represents "a minimum risk of business failure". (Source: Dun & Bradstreet Comprehensive Report - January 2018 - GMI Construction Group Plc)

Future Developments

GMI Construction's forward order book continues to be extremely healthy with secured turnover for the year to 30 September 2018 showing a significant increase on recent years already, standing at in excess of £90m. This sustained level of activity enables the business to focus on the longer term and helps create further new employment opportunities within the business.

With cash at bank in excess of £7.0m, net assets of £13.3m, and no external borrowings in any group company, GMI Construction remains a strong financial performer in a high risk industry.

This report was approved by the board of directors on 14 February 2018 and signed on behalf of the board by:



J Best
Chairman

Registered office:
Middleton House
Westland Road
Leeds
LS11 5UH

GMI Construction Group Plc

Directors' Report

Year ended 30 September 2017

The directors present their report and the financial statements of the company for the year ended 30 September 2017.

Directors

The directors who served the company during the year were as follows:

J Best	
R A Bruce	
D Price	
D J Shann	
P Whitaker	
M Banks	(Appointed 9 June 2017)
L Powell	(Appointed 9 June 2017)
P J Gilman	(Resigned 5 October 2016)
G Peacock	(Resigned 9 June 2017)

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Disclosure of information in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

GMI Construction Group Plc

Directors' Report *(continued)*

Year ended 30 September 2017

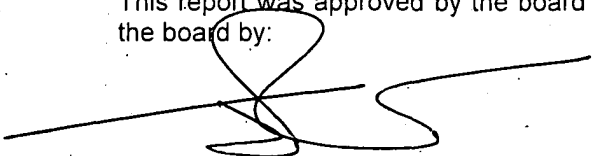
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 14 FEBRUARY 2018 and signed on behalf of the board by:



J Best
Chairman

Registered office:
Middleton House
Westland Road
Leeds
LS11 5UH

GMI Construction Group Plc

Independent Auditor's Report to the Members of GMI Construction Group Plc

Year ended 30 September 2017

Opinion

We have audited the financial statements of GMI Construction Group Plc (the 'company') for the year ended 30 September 2017 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

GMI Construction Group Plc

Independent Auditor's Report to the Members of GMI Construction Group Plc

(continued)

Year ended 30 September 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

GMI Construction Group Plc

Independent Auditor's Report to the Members of GMI Construction Group Plc (continued)

Year ended 30 September 2017

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



DALE COLEMAN FCA (Senior Statutory Auditor)

For and on behalf of
Ford Campbell Freedman Limited
Chartered accountant & statutory auditor
34 Park Cross Street
Leeds
LS1 2QH

22 February 2018

GMI Construction Group Plc

Statement of Income and Retained Earnings

Year ended 30 September 2017

	Note	2017 £	2016 £
Turnover	4	63,261,327	79,371,637
Cost of sales		(54,452,856)	(72,856,169)
Gross profit		8,808,471	6,515,468
Administrative expenses		(4,940,578)	(4,075,016)
Operating profit	5	3,867,893	2,440,452
Other interest receivable and similar income	9	533,953	446,319
Interest payable and similar expenses	10	(1,349)	(1,365)
Profit before taxation		4,400,497	2,885,406
Tax on profit	11	(866,356)	(450,936)
Profit for the financial year and total comprehensive income		<u>3,534,141</u>	<u>2,434,470</u>
Dividends paid and payable	12	(3,500,000)	(2,400,000)
Retained earnings at the start of the year (as previously reported)		9,243,911	8,684,014
Effects of changes in accounting policies		–	525,427
Retained earnings at the start of the year (restated)		<u>9,243,911</u>	<u>9,209,441</u>
Retained earnings at the end of the year		<u>9,278,052</u>	<u>9,243,911</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 19 form part of these financial statements.

GMI Construction Group Plc

Statement of Financial Position

30 September 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	501,536	207,651
Investments	14	1	1
		<u>501,537</u>	<u>207,652</u>
Current assets			
Debtors	15	23,497,395	26,601,132
Cash at bank and in hand		7,017,322	6,857,908
		<u>30,514,717</u>	<u>33,459,040</u>
Creditors: amounts falling due within one year	16	<u>21,238,202</u>	<u>23,922,781</u>
Net current assets		<u>9,276,515</u>	<u>9,536,259</u>
Total assets less current liabilities		<u>9,778,052</u>	<u>9,743,911</u>
Net assets		<u>9,778,052</u>	<u>9,743,911</u>
Capital and reserves			
Called up share capital	18	453,124	453,124
Capital redemption reserve	19	46,876	46,876
Profit and loss account	19	9,278,052	9,243,911
Shareholders funds		<u>9,778,052</u>	<u>9,743,911</u>

These financial statements were approved by the board of directors and authorised for issue on 14 FEBRUARY 2018 and are signed on behalf of the board by:


D. J. Shann
Chief Executive Officer

Company registration number: 01988606

The notes on pages 12 to 19 form part of these financial statements.

GMI Construction Group Plc

Statement of Cash Flows

Year ended 30 September 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	3,534,141	2,434,470
<i>Adjustments for:</i>		
Depreciation of tangible assets	87,373	75,850
Other interest receivable and similar income	(533,953)	(446,319)
Interest payable and similar expenses	1,349	1,365
Loss on disposal of tangible assets	1,133	—
Tax on profit	866,356	450,936
Accrued (income)/expenses	(2,422,002)	1,497,342
<i>Changes in:</i>		
Trade and other debtors	(213,561)	994,608
Trade and other creditors	(747,767)	(1,484,620)
Cash generated from operations	573,069	3,523,632
Interest paid	(1,349)	(1,365)
Interest received	533,953	446,319
Tax paid	(381,166)	(475,132)
Net cash from operating activities	<u>724,507</u>	<u>3,493,454</u>
Cash flows from investing activities		
Purchase of tangible assets	(401,028)	(100,969)
Proceeds from sale of tangible assets	18,637	—
Net cash used in investing activities	<u>(382,391)</u>	<u>(100,969)</u>
Cash flows from financing activities		
Repayments of loans from participating interests	3,317,298	(819,765)
Dividends paid	(3,500,000)	(2,400,000)
Net cash used in financing activities	<u>(182,702)</u>	<u>(3,219,765)</u>
Net increase in cash and cash equivalents	159,414	172,720
Cash and cash equivalents at beginning of year	6,857,908	6,685,188
Cash and cash equivalents at end of year	<u>7,017,322</u>	<u>6,857,908</u>

The notes on pages 12 to 19 form part of these financial statements.

GMI Construction Group Plc

Notes to the Financial Statements

Year ended 30 September 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Middleton House, Westland Road, Leeds, LS11 5UH.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties, except in respect of long term contracts, where turnover represents the sales value of work done in the year calculated by reference to total sales value and stage of completion of these contracts. Turnover includes certified valuations in respect of amounts of not invoiced.

A proportion of the profits on long term contracts is taken if the final outcome can be assessed with reasonable certainty. The profit is stated after providing for known losses and contingencies. Credit for claims is not taken until the cash is received.

Where sales values attributed to long term contracts are greater than the respective cash received or invoiced amounts; the excess is shown in debtors. If the sales value is of a lower amount, then the difference is disclosed in creditors.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

GMI Construction Group Plc

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

3. Accounting policies *(continued)*

Taxation *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

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

Leasehold improvements	-	over the term of the lease
Plant and machinery	-	25% straight line
Fixtures and fittings	-	25% straight line
Motor vehicles	-	25% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2017	2016
	£	£
Construction contracts	<u>63,261,327</u>	<u>79,371,637</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

GMI Construction Group Plc

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

5. Operating profit

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	87,373	75,850
Loss on disposal of tangible assets	<u>1,133</u>	<u>—</u>

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>16,750</u>	<u>14,250</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	<u>2,300</u>	<u>2,250</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017	2016
	No.	No.
Management, administration and site operatives	<u>76</u>	<u>69</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	3,840,195	3,238,661
Social security costs	428,851	367,541
Other pension costs	<u>93,181</u>	<u>102,936</u>
	<u>4,362,227</u>	<u>3,709,138</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	771,818	739,659
Company contributions to defined contribution pension plans	<u>10,632</u>	<u>26,235</u>
	<u>782,450</u>	<u>765,894</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2017	2016
	No.	No.
Defined contribution plans	<u>4</u>	<u>3</u>

GMI Construction Group Plc

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

8. Directors' remuneration *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	2017 £	2016 £
Aggregate remuneration	<u>300,459</u>	<u>275,631</u>

9. Other interest receivable and similar income

	2017 £	2016 £
Interest on cash and cash equivalents	21,666	32,770
Other interest	<u>512,287</u>	<u>413,549</u>
	<u>533,953</u>	<u>446,319</u>

10. Interest payable and similar expenses

	2017 £	2016 £
Other interest payable and similar charges	<u>1,349</u>	<u>1,365</u>

11. Tax on profit

Major components of tax expense

	2017 £	2016 £
Current tax:		
UK current tax expense	866,356	450,936
Tax on profit	<u>866,356</u>	<u>450,936</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: lower than) the standard rate of corporation tax in the UK of 19% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>4,400,497</u>	<u>2,885,406</u>
Profit on ordinary activities by rate of tax	836,095	577,081
Effect of different UK tax rates on some earnings	22,155	–
Expenses not deductible for tax purposes	37,005	37,481
Depreciation in excess of capital allowances	(28,899)	(10,254)
Group relief claim	–	(153,372)
Tax on profit	<u>866,356</u>	<u>450,936</u>

GMI Construction Group Plc

Notes to the Financial Statements (continued)

Year ended 30 September 2017

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2017 £	2016 £
Equity dividends on ordinary shares	<u>3,500,000</u>	<u>2,400,000</u>

13. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 October 2016	–	226,568	312,665	288,302	827,535
Additions	303,140	–	97,888	–	401,028
Disposals	–	–	(179,078)	(77,619)	(256,697)
At 30 September 2017	<u>303,140</u>	<u>226,568</u>	<u>231,475</u>	<u>210,683</u>	<u>971,866</u>
Depreciation					
At 1 October 2016	–	226,568	242,129	151,187	619,884
Charge for the year	3,313	–	36,670	47,390	87,373
Disposals	–	–	(173,988)	(62,939)	(236,927)
At 30 September 2017	<u>3,313</u>	<u>226,568</u>	<u>104,811</u>	<u>135,638</u>	<u>470,330</u>
Carrying amount					
At 30 September 2017	<u>299,827</u>	<u>–</u>	<u>126,664</u>	<u>75,045</u>	<u>501,536</u>
At 30 September 2016	<u>–</u>	<u>–</u>	<u>70,536</u>	<u>137,115</u>	<u>207,651</u>

14. Investments

	Shares in group undertaking s £
Cost	
At 1 October 2016 and 30 September 2017	<u>1</u>
Impairment	
At 1 October 2016 and 30 September 2017	<u>–</u>
Carrying amount	
At 30 September 2017	<u>1</u>
At 30 September 2016	<u>1</u>

Under the provision of section 400 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so. Therefore, the accounts show information about the company as an individual entity.

GMI Construction Group Plc

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

14. Investments *(continued)*

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
GMI Construction Limited	Ordinary	100

The results and capital and reserves for the year are as follows:

	Capital and reserves		Profit/(loss) for the year	
	2017	2016	2017	2016
	£	£	£	£
Subsidiary undertakings				
GMI Construction Limited	<u>27,927</u>	<u>27,927</u>	<u>—</u>	<u>—</u>

15. Debtors

	2017	2016
	£	£
Trade debtors	6,956,449	7,136,698
Amounts owed by group undertakings	10,190,985	13,508,283
Prepayments and accrued income	1,499,767	1,075,140
Amounts recoverable on contracts	3,434,347	3,226,649
Other debtors	1,415,847	1,654,362
	<u>23,497,395</u>	<u>26,601,132</u>

16. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	10,896,175	11,908,276
Amounts owed to group undertakings	27,197	27,197
Accruals and deferred income	8,744,878	11,166,880
Corporation tax	766,352	281,162
Social security and other taxes	471,230	189,852
Other creditors	332,370	349,414
	<u>21,238,202</u>	<u>23,922,781</u>

17. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £93,181 (2016: £102,936).

GMI Construction Group Plc

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

18. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>453,124</u>	<u>453,124</u>	<u>453,124</u>	<u>453,124</u>

19. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

20. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	146,500	115,000
Later than 1 year and not later than 5 years	516,500	460,000
Later than 5 years	230,000	345,000
	<u>893,000</u>	<u>920,000</u>

21. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2017	2016	2017	2016
	£	£	£	£
Interest received and loans with companies under common control	8,592	13,287	187,026	530,497
Recharges with companies under common control	(117,784)	(203,992)	–	–
Purchases with companies under common control	(2,468,982)	(3,473,162)	(54,674)	(274,426)
Sales with related parties	1,846,803	–	1,382,703	–
Capital purchases with companies under common control	<u>(196,807)</u>	<u>–</u>	<u>–</u>	<u>–</u>

The company has taken advantage of the exemption in FRS 102 section 33 from disclosing details of transactions with other group companies. This exemption has taken on the grounds that the company is included within the group's consolidated accounts, which are publicly available.

GMI Construction Group Plc

Notes to the Financial Statements *(continued)*

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22. Controlling party

The company's ultimate parent undertaking is Highgrove Group Plc, a company incorporated in England & Wales. The results of the company are included in the consolidated accounts of Highgrove Group Plc.