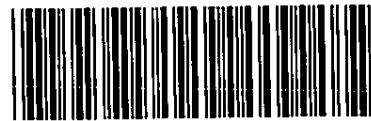


COMPANY REGISTRATION NUMBER 05374580

**ADDERSTONE CONSTRUCTION LIMITED**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2012**

FRIDAY



\*A109YR YR\*

A34

21/12/2012

#379

COMPANIES HOUSE

**ADDERSTONE CONSTRUCTION LIMITED**

**FINANCIAL STATEMENTS**

**PERIOD FROM 1 AUGUST 2011 TO 31 MARCH 2012**

<b>CONTENTS</b>	<b>PAGE</b>
The directors' report	<b>1</b>
Profit and loss account	<b>2</b>
Balance sheet	<b>3</b>
Notes to the financial statements	<b>5</b>

# ADDERSTONE CONSTRUCTION LIMITED

## THE DIRECTORS' REPORT

### PERIOD FROM 1 AUGUST 2011 TO 31 MARCH 2012

The directors present their report and the unaudited financial statements of the company for the period from 1 August 2011 to 31 March 2012

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The results for the period have been significantly impacted by two contracts which were on-going in the previous year. The impact of a reduction in profitability on these contracts is the value of £169,612, which was recognised in previous periods

The directors recognise that market conditions remain challenging, and remain committed to finding profitable construction contracts on an on-going basis

#### DIRECTORS

The directors who served the company during the period were as follows

I R Baggett BSc (Hons) PhD

D J Mallatratt

#### GOING CONCERN

After making enquiries, the directors have reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

#### DONATIONS

The company made no political or charitable donations during the year

#### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office  
The Exchange  
Manor Court  
Jesmond  
Newcastle Upon Tyne  
NE2 2JA

Signed by order of the directors



J G ARMSTRONG FCCA  
Company Secretary

Approved by the directors on 18 December 2012

# ADDERSTONE CONSTRUCTION LIMITED

## PROFIT AND LOSS ACCOUNT

PERIOD FROM 1 AUGUST 2011 TO 31 MARCH 2012

	Period from 1 Aug 11 to 31 Mar 12 £	Year to 31 Jul 11 £
<b>TURNOVER</b>	1,776,862	2,386,489
Cost of sales	<u>1,764,025</u>	<u>2,077,959</u>
<b>GROSS PROFIT</b>	12,837	308,530
Administrative expenses	165,600	233,510
Other operating income	2     3,290	—
<b>OPERATING (LOSS)/PROFIT</b>	3     (156,053)	75,020
Interest payable and similar charges	—	(32,324)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	(156,053)	107,344
Tax on (loss)/profit on ordinary activities	—	7,092
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>	(156,053)	100,252
Balance brought forward	<u>22,713</u>	<u>(77,539)</u>
Balance carried forward	<u>(133,340)</u>	<u>22,713</u>

The notes on pages 5 to 11 form part of these financial statements.

# ADDERSTONE CONSTRUCTION LIMITED

## BALANCE SHEET

31 MARCH 2012

	Note	31 Mar 12 £	£	31 Jul 11 £
<b>FIXED ASSETS</b>				
Tangible assets	5		<u>2,959</u>	<u>3,655</u>
<b>CURRENT ASSETS</b>				
Debtors	6	1,882,878		1,252,109
Cash at bank and in hand		<u>8,256</u>		<u>7,644</u>
		1,891,134		1,259,753
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>2,026,990</u>		<u>1,240,252</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(135,856)</u>	<u>19,501</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(132,897)</u>	<u>23,156</u>
<b>PROVISIONS FOR LIABILITIES</b>				
Deferred taxation	8		<u>343</u>	<u>343</u>
			<u>(133,240)</u>	<u>22,813</u>
<b>CAPITAL AND RESERVES</b>				
Called-up equity share capital	10		100	100
Profit and loss account			<u>(133,340)</u>	<u>22,713</u>
<b>(DEFICIT)/SHAREHOLDERS' FUNDS</b>			<u>(133,240)</u>	<u>22,813</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the period by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The Balance sheet continues on the following page  
The notes on pages 5 to 11 form part of these financial statements

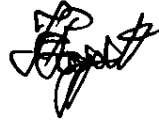
# ADDERSTONE CONSTRUCTION LIMITED

## BALANCE SHEET *(continued)*

31 MARCH 2012

These financial statements were approved by the directors and authorised for issue on 18 December 2012, and are signed on their behalf by

I R BAGGETT BSC (HONS) PHD  
Director



Company Registration Number 05374580

The notes on pages 5 to 11 form part of these financial statements

# ADDERSTONE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 AUGUST 2011 TO 31 MARCH 2012

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company has received confirmation from the principal shareholder and related parties, with whom balances were held at the balance sheet date, that they will continue to provide the company with the necessary financial support and working capital for at least one year from the date of approval of these financial statements to allow the company to meet its liabilities as they fall due. Accordingly, the directors have prepared these financial statements on a going concern basis

#### **Turnover**

Turnover represents net invoiced sales of goods and services, net of value added tax, and revenue recognised on contracts extending beyond the year

Where there are transactions which are gradually performed over time, revenue is recognised as the contract activity progresses to reflect the partial performance of the contractual obligations. The amount of revenue included within turnover reflects the accrual of the right to consideration as contract activity progresses by reference to the value of the work performed. The amounts provided are reflected in the balance sheet under debtors as "Amounts recoverable on contracts"

#### **Fixed assets**

All fixed assets are initially recorded at cost

#### **Depreciation**

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

Motor Vehicles	-	25% straight line
Equipment	-	33% straight line

#### **Deferred taxation**

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed at the balance sheet date, except as otherwise required by FRS 19

# ADDERSTONE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 AUGUST 2011 TO 31 MARCH 2012

### 1. ACCOUNTING POLICIES *(continued)*

#### Financial instruments

Following the adoption of FRS 25, financial instruments issued by the company are treated as equity (i.e., forming part of shareholders' funds) only to the extent that they meet the following two conditions

- they include the contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that the definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account excludes amounts in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy) are dealt with as appropriations in the reconciliation of movements in shareholders' funds

### 2. OTHER OPERATING INCOME

	Period from 1 Aug 11 to 31 Mar 12 £	Year to 31 Jul 11 £
Other operating income	<u>(3,290)</u>	<u>—</u>

### 3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	Period from 1 Aug 11 to 31 Mar 12 £	Year to 31 Jul 11 £
Depreciation of owned fixed assets	696	237
Loss on disposal of fixed assets	<u>1,200</u>	<u>—</u>



# ADDERSTONE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 AUGUST 2011 TO 31 MARCH 2012

### 4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	Period from 1 Aug 11 to 31 Mar 12 £	Year to 31 Jul 11 £
Aggregate remuneration	<u>36,667</u>	<u>55,000</u>

### 5. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Equipment £	Total £
<b>COST</b>			
At 1 August 2011 and 31 March 2012	<u>3,000</u>	<u>892</u>	<u>3,892</u>
<b>DEPRECIATION</b>			
At 1 August 2011	188	49	237
Charge for the period	<u>500</u>	<u>196</u>	<u>696</u>
At 31 March 2012	<u>688</u>	<u>245</u>	<u>933</u>
<b>NET BOOK VALUE</b>			
At 31 March 2012	<u>2,312</u>	<u>647</u>	<u>2,959</u>
At 31 July 2011	<u>2,812</u>	<u>843</u>	<u>3,655</u>

### 6. DEBTORS

	31 Mar 12 £	31 Jul 11 £
Trade debtors	1,784,215	1,095,903
Amounts owed by undertakings in which the company has a participating interest	891	440
Directors current accounts	-	48,057
Other debtors	<u>97,772</u>	<u>107,709</u>
	<u>1,882,878</u>	<u>1,252,109</u>

# ADDERSTONE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 AUGUST 2011 TO 31 MARCH 2012

### 7. CREDITORS: Amounts falling due within one year

	31 Mar 12	31 Jul 11
	£	£
Trade creditors	190,424	487,850
Amounts owed to undertakings in which the company has a participating interest	1,805,238	718,421
Corporation tax	6,749	6,749
Other taxation and social security	12,235	19,037
Other creditors	12,344	8,195
	<u>2,026,990</u>	<u>1,240,252</u>

### 8. DEFERRED TAXATION

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	31 Mar 12	31 Jul 11
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>343</u>	<u>343</u>
	<u>343</u>	<u>343</u>

# ADDERSTONE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 AUGUST 2011 TO 31 MARCH 2012

### 9. RELATED PARTY TRANSACTIONS

The company is controlled by I R Baggett who is a director and shareholder Transactions with related parties during the year are set out below

#### **Adderstone Properties Limited**

I R Baggett is a director and controlling shareholder of Adderstone Properties Limited, with whom the following transactions were undertaken and at the year end the following balances were outstanding

	2012	2011
	£	£
Loan (included within creditors due within one year)		
Owed to Adderstone Properties Limited	1,683,444	718,421

The loan from Adderstone Properties Limited is unsecured, bears an interest rate equivalent to the Bank of England Base Rate plus 1% per annum and has no fixed repayment terms The loans were taken over at the year end from Adderstone Group Limited and Adderstone Commercial Investments Limited hence no interest was paid to Adderstone Properties Limited during the year

#### **Adderstone Group Limited**

I R Baggett is a director and controlling shareholder of Adderstone Group Limited, with whom the following transactions were undertaken and at the year end the following balances were outstanding

	2012	2011
	£	£
Sales		
In total	28,379	2,282,050
Interest payable		
Loan interest	-	33,790

The interest previously charged has now been waived by Adderstone Group Limited

Debtors		
Amounts recoverable on contracts	28,379	132,345
Amounts owed to related parties (included within creditors due within one year)		
Owed to Adderstone Group Limited	121,794	-

The loan from Adderstone Group Limited was unsecured, bore an interest rate equivalent to the Bank of England Base Rate plus 1% per annum and had no fixed repayment terms At the end of the financial year the loan was taken over by Adderstone Properties Limited

# ADDERSTONE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 AUGUST 2011 TO 31 MARCH 2012

### 9. RELATED PARTY TRANSACTIONS *(continued)*

#### **I R Baggett**

I R Baggett is a director and controlling shareholder of the company. The following transactions were undertaken during the year and at the year end the following balances were outstanding

	2012	2011
	£	£
Sales	(95,885)	943,178
Interest payable		
Loan interest (this amount is included within accruals)	1,612	812
Purchases		
Rent	-	(10,000)
Amounts recoverable on contracts	847,293	726,692
Amounts owed to related parties (included within creditors due within one year)		
Loan from I R Baggett	-	-

#### **Adderstone Properties Trading Limited**

I R Baggett is a director and controlling shareholder of Adderstone Properties Trading Limited, with whom the following transactions were undertaken and at the year end the following balances were outstanding

	2012	2011
	£	£
Sales		
In total	617,669	-
Debtors		
Amounts recoverable on contracts	617,669	-

#### **Finestone Properties Limited**

Finestone Properties Limited is 100% owned by Adderstone Construction Limited, with whom the following transactions were undertaken and at the year end the following balances were outstanding

	2012	2011
	£	£
Sales		
In total	142,358	-
Debtors		
Amounts recoverable on contracts	142,358	-

# ADDERSTONE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 AUGUST 2011 TO 31 MARCH 2012

### 10. SHARE CAPITAL

Allotted, called up and fully paid:

	31 Mar 12		31 Jul 11	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>