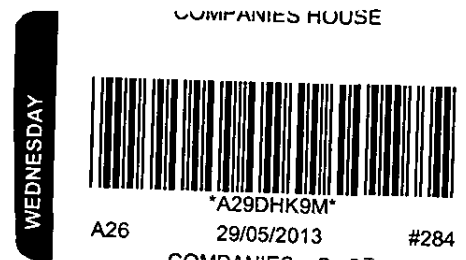


COMPANY REGISTRATION NUMBER 01933766

Rockstone Surfacing Limited

Financial Statements

31 August 2012



AGL

Chartered Accountants & Statutory Auditor
Prudence House
Ashleigh Way
Langage Business Park (Office Campus)
Plympton
Plymouth
Devon
PL7 5JX

Rockstone Surfacing Limited

Financial Statements

Year Ended 31 August 2012

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Rockstone Surfacing Limited
Officers and Professional Advisers

The board of directors	Mr S M Dziubinski Mrs L J Dziubinski
Company secretary	Mrs L J Dziubinski
Registered office	Central Trading Estate Signal Way Swindon Wiltshire SN3 1PD
Auditor	AGL Chartered Accountants & Statutory Auditor Prudence House Ashleigh Way Langage Business Park (Office Campus) Plympton Plymouth Devon PL7 5JX
Bankers	HSBC Bank 1 Marlborough Road Old Town Swindon Wiltshire SN3 1QN

Rockstone Surfacing Limited

The Directors' Report

Year Ended 31 August 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 2012

Principal activity and business review

The principal activity of the company during the year was the construction and resurfacing of roads

The company was affected by the downturn in the global economy, and the market generally, during the 2009/10 financial year. Despite this downturn and as a result, the directors took positive action in 2010/11 to ensure the ongoing profitability. Operational changes were implemented, which helped to stabilise the company and produce a healthy profit in that year, which has been continued in this year. The directors' investment in plant and trained operatives ensured the company's ability to maintain a significant market share.

Results and dividends

The profit for the year, after taxation, amounted to £232,135. Particulars of dividends paid are detailed in note 10 to the financial statements.

Directors

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

Mr S M Dziubinski

Mrs L J Dziubinski

Directors' responsibilities

The directors are responsible for preparing the 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 of the profit or loss of the company for that year.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

Rockstone Surfacing Limited

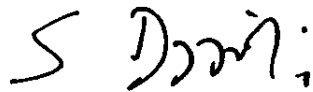
The Directors' Report *(continued)*

Year Ended 31 August 2012

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Signed on behalf of the directors



Mr S M Dziubinski

Director

Approved by the directors on

20/5/13

Rockstone Surfacing Limited

Independent Auditor's Report to the Shareholders of Rockstone Surfacing Limited

Year Ended 31 August 2012

We have audited the financial statements of Rockstone Surfacing Limited for the year ended 31 August 2012. 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).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Rockstone Surfacing Limited

Independent Auditor's Report to the Shareholders of Rockstone Surfacing Limited *(continued)*

Year Ended 31 August 2012

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



STEVEN MORGAN BSC FCA (Senior Statutory Auditor)

For and on behalf of

AGL

Chartered Accountants & Statutory Auditor

Prudence House

Ashleigh Way

Langage Business Park (Office Campus)

Plympton

Plymouth

Devon

PL7 5JX

28th May 2013

Rockstone Surfacing Limited

Profit and Loss Account

Year Ended 31 August 2012

	Note	2012 £	2011 £
Turnover	2	7,204,665	6,665,486
Cost of sales		<u>6,412,104</u>	<u>5,867,936</u>
Gross profit		792,561	797,550
Distribution costs		9,368	7,756
Administrative expenses		536,965	562,281
Other operating income		(763)	(3,124)
Operating profit	3	246,991	230,637
Profit/(loss) on available-for-sale investments (fixed assets)		<u>39,267</u>	<u>—</u>
		286,258	230,637
Income from participating interests	6	19,992	1,072,500
Income from other fixed asset investments	7	—	351
Interest receivable		2,958	921
Interest payable and similar charges	8	(632)	—
Profit on ordinary activities before taxation		308,576	1,304,409
Tax on profit on ordinary activities	9	76,441	59,341
Profit for the financial year		<u>232,135</u>	<u>1,245,068</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 19 form part of these financial statements

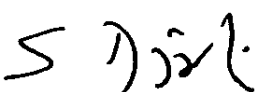
Rockstone Surfacing Limited

Balance Sheet

31 August 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	11	456,492	370,837
Investments	12	25	125,000
		<u>456,517</u>	<u>495,837</u>
Current assets			
Stocks	13	3,700	3,400
Debtors	14	2,700,464	2,746,922
Cash at bank		1,275,906	1,352,230
		<u>3,980,070</u>	<u>4,102,552</u>
Creditors: Amounts falling due within one year	15	<u>1,368,205</u>	<u>1,624,951</u>
Net current assets		<u>2,611,865</u>	<u>2,477,601</u>
Total assets less current liabilities		<u>3,068,382</u>	<u>2,973,438</u>
Creditors: Amounts falling due after more than one year	16	<u>16,409</u>	<u>—</u>
		<u>3,051,973</u>	<u>2,973,438</u>
Capital and reserves			
Called-up equity share capital	20	100	100
Profit and loss account	21	3,051,873	2,973,338
Shareholders' funds	22	<u>3,051,973</u>	<u>2,973,438</u>

These financial statements were approved by the directors and authorised for issue on 20/5/13, and are signed on their behalf by


Mr S M Dziubinski
Director

Company Registration Number 01933766

The notes on pages 9 to 19 form part of these financial statements

Rockstone Surfacing Limited

Cash Flow Statement

Year Ended 31 August 2012

		2012	2011
	Note	£	£
Net cash inflow from operating activities	23	137,105	20,255
Returns on investments and servicing of finance	23	22,318	1,073,772
Taxation	23	(60,204)	(25,237)
Capital expenditure and financial investment	23	(47,728)	229,960
Equity dividends paid		(153,600)	(153,600)
Cash (outflow)/inflow before financing		(102,109)	1,145,150
Financing	23	25,785	—
(Decrease)/increase in cash	23	(76,324)	1,145,150

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets, including fixed asset investments, 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

Freehold property	-	1% straight line
Plant & machinery	-	20% straight line
Motor vehicles	-	20% straight line
Office equipment	-	20% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor 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

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2012

1. Accounting policies *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2012 £	2011 £
United Kingdom	<u>7,204,665</u>	<u>6,665,486</u>

3. Operating profit

Operating profit is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of owned fixed assets	124,793	108,499
Depreciation of assets held under hire purchase agreements	5,772	—
Profit on disposal of fixed assets	(4,250)	—
Auditor's remuneration		
- as auditor	2,000	2,000
Operating lease costs		
- Plant and equipment	452,479	488,025
- Other	—	12,000

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2012

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2012	2011
	No	No
Number of site staff	34	34
Number of administrative staff	5	4
Number of management staff	6	6
	<u>45</u>	<u>44</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	1,374,923	1,348,613
Social security costs	143,066	136,664
Other pension costs	9,368	7,756
	<u>1,527,357</u>	<u>1,493,033</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Aggregate remuneration	24,008	21,720
Value of company pension contributions to money purchase schemes	9,368	7,756
	<u>33,376</u>	<u>29,476</u>

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

	2012	2011
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

6. Income from participating interests

	2012	2011
	£	£
Income from participating interests - DDCS Properties Limited	<u>19,992</u>	<u>1,072,500</u>

7. Income from other fixed asset investments

	2012	2011
	£	£
Income from other fixed asset investments	<u>-</u>	<u>351</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2012

8. Interest payable and similar charges

	2012 £	2011 £
Finance charges	411	—
Other similar charges payable	221	—
	<u>632</u>	<u>—</u>

9. Taxation on ordinary activities

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 20% (2011 - 21%)	57,666	60,204
Over/under provision in prior year	18,775	118
Total current tax	<u>76,441</u>	<u>60,322</u>
Deferred tax		
Origination and reversal of timing differences		
Capital allowances	—	(981)
Tax on profit on ordinary activities	<u>76,441</u>	<u>59,341</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2011 - 21%)

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>308,576</u>	<u>1,304,409</u>
Profit on ordinary activities by rate of tax	61,715	273,926
Expenses not deductible for tax purposes	(2,136)	2,993
Depreciation for the year in excess of capital allowances	2,285	9,736
Income not taxable	(4,198)	(225,225)
Sundry tax adjusting items	18,775	(1,108)
Total current tax (note 9(a))	<u>76,441</u>	<u>60,322</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2012

10. Dividends

Equity dividends

	2012 £	2011 £
Paid		
Equity dividends on ordinary shares	<u>153,600</u>	<u>153,600</u>

11. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
Cost					
At 1 September 2011	309,151	1,038,611	784,430	136,210	2,268,402
Additions	–	106,788	128,341	1,091	236,220
Disposals	–	–	(159,365)	–	(159,365)
At 31 August 2012	<u>309,151</u>	<u>1,145,399</u>	<u>753,406</u>	<u>137,301</u>	<u>2,345,257</u>
Depreciation					
At 1 September 2011	121,074	963,036	677,245	136,210	1,897,565
Charge for the year	3,092	75,489	51,766	218	130,565
On disposals	–	–	(139,365)	–	(139,365)
At 31 August 2012	<u>124,166</u>	<u>1,038,525</u>	<u>589,646</u>	<u>136,428</u>	<u>1,888,765</u>
Net book value					
At 31 August 2012	<u>184,985</u>	<u>106,874</u>	<u>163,760</u>	<u>873</u>	<u>456,492</u>
At 31 August 2011	<u>188,077</u>	<u>75,575</u>	<u>107,185</u>	<u>–</u>	<u>370,837</u>

Hire purchase agreements

Included within the net book value of £456,492 is £23,087 (2011 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £5,772 (2011 - £Nil).

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2012

12. Investments

Aggregate investments:

	£
Cost	
At 1 September 2011	125,000
Disposals	(124,975)
At 31 August 2012	<u>25</u>
Net book value	
At 31 August 2012	<u>25</u>
At 31 August 2011	<u>125,000</u>

The above investments are valued at cost and are made up as follows

DDCS Properties Limited shares (25% holding)	£25 (2011 £25,000)
Investment bond and offshore portfolio	nil (2011 £100,000)

The last set of accounts filed for DDCS Properties Limited are for the year ended 31 May 2012, which showed an aggregate capital and reserves of £3,498 (2011 £1,225,055) and a profit for the year of £3,398 (2011 £1,125,055). The company was dissolved on 8 January 2013, having distributed all remaining amounts to shareholders on 3 October 2012.

13. Stocks

	2012	2011
	£	£
Stock	<u>3,700</u>	<u>3,400</u>

14. Debtors

	2012	2011
	£	£
Trade debtors	2,600,680	2,723,954
VAT recoverable	57,536	—
Other debtors	42,248	22,968
	<u>2,700,464</u>	<u>2,746,922</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2012

15. Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	938,339	1,163,177
Corporation tax	76,441	60,204
PAYE and social security	36,557	40,991
VAT	—	7,718
Hire purchase agreements	9,376	—
Other creditors	1,935	2,275
Directors current accounts	251,919	306,064
Accruals and deferred income	53,638	44,522
	<u>1,368,205</u>	<u>1,624,951</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2012 £	2011 £
Hire purchase agreements	<u>9,376</u>	<u>—</u>

16. Creditors: Amounts falling due after more than one year

	2012 £	2011 £
Hire purchase agreements	<u>16,409</u>	<u>—</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2012 £	2011 £
Hire purchase agreements	<u>16,409</u>	<u>—</u>

17. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	2012 £	2011 £
Amounts payable within 1 year	9,376	—
Amounts payable between 1 and 2 years	16,409	—
	<u>25,785</u>	<u>—</u>
Hire purchase agreements are analysed as follows		
Current obligations	9,376	—
Non-current obligations	16,409	—
	<u>25,785</u>	<u>—</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2012

18. Commitments under operating leases

At 31 August 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than Land and buildings	
	2012 £	2011 £
Operating leases which expire		
Within 1 year	3,968	13,270
Within 2 to 5 years	-	5,952
	<u>3,968</u>	<u>19,222</u>

19. Control and related party transactions

The company was under the control of Mr S M Dziubinski and Mrs L J Dziubinski, who each own 50% of the issued share capital

Rent of nil (2011 £12,000) was paid to the directors during the year for use of storage facilities

During the year, Mr S M Dziubinski and Mrs L J Dziubinski made a joint loan to the company. The balances outstanding were beginning of year £306,064 (2011 £307,873), end of year £251,919 (2011 £306,064). No interest was paid on this loan and there are no fixed dates for repayment.

The directors received dividends from the company for the year as follows

Mr S M Dziubinski £76,800 (2011 £76,800)

Mrs L J Dziubinski £76,800 (2011 £76,800)

Mr S M Dziubinski and Mrs L J Dziubinski are partners in a business trading as 'Roadmasters'. During the year, charges were made by the company to Roadmasters totalling £259,050 (2011 £302,000). Amounts invoiced related to overhead recharges and charges for use of the company's fixed assets. These figures are included in turnover in the financial statements. £1,025,957 (2011 £700,949) is included in trade debtors at the year end in relation to amounts due from Roadmasters.

Roadmasters invoiced the company a total of £59,345 (2011 £74,894) for work done during the year. The directors consider the charges to be at arm's length and under normal commercial terms.

20. Share capital

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2012

21. Profit and loss account

	2012 £	2011 £
Balance brought forward	2,973,338	1,881,870
Profit for the financial year	232,135	1,245,068
Equity dividends	(153,600)	(153,600)
Balance carried forward	<u>3,051,873</u>	<u>2,973,338</u>

22. Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	232,135	1,245,068
Equity dividends	(153,600)	(153,600)
Net addition to shareholders' funds	78,535	1,091,468
Opening shareholders' funds	2,973,438	1,881,970
Closing shareholders' funds	<u>3,051,973</u>	<u>2,973,438</u>

23. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	246,991	230,637
Depreciation	130,565	108,499
Profit on disposal of fixed assets	(4,250)	–
(Increase)/decrease in stocks	(300)	2,185
Decrease/(increase) in debtors	46,458	(450,103)
(Decrease)/increase in creditors	(282,359)	129,037
Net cash inflow from operating activities	<u>137,105</u>	<u>20,255</u>

Returns on investments and servicing of finance

	2012 £	2011 £
Income from participating interests	19,992	1,072,500
Income from other fixed asset investments	–	351
Interest received	2,958	921
Interest paid	(221)	–
Interest element of hire purchase	(411)	–
Net cash inflow from returns on investments and servicing of finance	<u>22,318</u>	<u>1,073,772</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2012

23. Notes to the cash flow statement *(continued)*

Taxation

	2012 £	2011 £
Taxation	<u>(60,204)</u>	<u>(25,237)</u>

Capital expenditure and financial investment

	2012 £	2011 £
Payments to acquire tangible fixed assets	(236,220)	(6,829)
Receipts from sale of fixed assets	24,250	—
Disposal of fixed asset investments	<u>164,242</u>	<u>236,789</u>
Net cash (outflow)/inflow for capital expenditure and financial investment	<u>(47,728)</u>	<u>229,960</u>

Financing

	2012 £	2011 £
Capital element of hire purchase	<u>25,785</u>	—
Net cash inflow from financing	<u>25,785</u>	—

Reconciliation of net cash flow to movement in net funds

	2012 £	2011 £
(Decrease)/increase in cash in the period	(76,324)	1,145,150
Cash outflow in respect of hire purchase	<u>(25,785)</u>	—
	<u>(102,109)</u>	<u>1,145,150</u>
Change in net funds	<u>(102,109)</u>	<u>1,145,150</u>
Net funds at 1 September 2011	<u>1,352,230</u>	207,080
Net funds at 31 August 2012	<u>1,250,121</u>	<u>1,352,230</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2012

23. Notes to the cash flow statement *(continued)*

Analysis of changes in net funds

	At 1 Sep 2011 £	Cash flows £	At 31 Aug 2012 £
Net cash			
Cash in hand and at bank	1,352,230	(76,324)	1,275,906
Debt			
Hire purchase agreements	—	(25,785)	(25,785)
Net funds	<u>1,352,230</u>	<u>(102,109)</u>	<u>1,250,121</u>

Rockstone Surfacing Limited

Management Information

Year Ended 31 August 2012

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to 5**

Rockstone Surfacing Limited

Detailed Profit and Loss Account

Year Ended 31 August 2012

	2012	2011
	£	£
Turnover	7,204,665	6,665,486
Cost of sales		
Opening stock	3,400	5,585
Materials	4,008,897	3,634,562
Direct wages	1,043,831	1,005,721
National insurance contributions on direct labour	111,054	104,689
Subcontract	148,120	61,778
Accommodation and subsistence	860	932
Agency staff costs	—	4,499
Machinery and motor running expenses	420,099	368,708
Transport of plant and machinery	104,059	91,430
Hire of plant, machinery and vehicles	452,479	488,025
Depreciation of plant and machinery	75,489	57,144
Depreciation of motor vehicles	51,766	48,263
Profit on disposal of fixed assets	(4,250)	—
	6,415,804	5,871,336
Closing stock	(3,700)	(3,400)
	6,412,104	5,867,936
Gross profit	792,561	797,550
Overheads		
Directors pension contributions	9,368	7,756
Administrative expenses	536,965	562,281
	546,333	570,037
	246,228	227,513
Other operating income		
Other operating income	763	3,124
Operating profit	246,991	230,637
Profit/(loss) on available-for-sale investments (fixed assets)	39,267	—
	286,258	230,637
Income from shares in related companies	19,992	1,072,500
Income from other fixed asset investments	—	351
Interest receivable	2,958	921
	309,208	1,304,409
Interest payable	(632)	—
Profit on ordinary activities	308,576	1,304,409

Rockstone Surfacing Limited

Notes to the Detailed Profit and Loss Account

Year Ended 31 August 2012

	2012	2011
	£	£
Administrative expenses		
Personnel costs		
Administrative staff salaries	314,699	307,937
Recruitment expenses	405	—
Staff medical insurance	15,988	12,955
Redundancy payments	—	22,000
Staff national insurance contributions	32,012	31,975
	<u>363,104</u>	<u>374,867</u>
Establishment expenses		
Rent	—	12,000
Light, heat and rates	19,325	18,668
Insurance	29,698	28,450
Repairs and maintenance	11,718	5,830
Cleaning of premises	1,215	1,209
	<u>61,956</u>	<u>66,157</u>
General expenses		
Telephone and postage	17,083	18,720
Printing, stationery and advertising	9,300	9,615
Computer expenses, software support and training	8,432	7,333
Sundry expenses	9,645	11,475
Donations	350	110
CITB levy	6,465	9,491
Advertising	3,789	2,750
Entertaining and gifts	11,080	13,532
Legal and professional fees	1,305	3,063
Payroll fees	450	635
Accountancy fees	10,770	7,226
Auditors remuneration	2,000	2,000
Depreciation of freehold property	3,092	3,092
Depreciation of office equipment	218	—
	<u>83,979</u>	<u>89,042</u>
Financial costs		
Bad and doubtful debts	21,314	35,102
Bad debts recovered	—	(3,521)
Underpaid VAT from prior years	4,644	—
Bank charges	1,968	634
	<u>27,926</u>	<u>32,215</u>
	<u>536,965</u>	<u>562,281</u>

Rockstone Surfacing Limited

Notes to the Detailed Profit and Loss Account

Year Ended 31 August 2012

	2012	2011
	£	£
Interest receivable		
Bank interest receivable	2,958	785
Loan interest receivable	<u>—</u>	<u>136</u>
	<u>2,958</u>	<u>921</u>
 Interest payable		
Hire purchase and finance lease charges	411	—
Interest on VAT errors from prior years	221	—
	<u>632</u>	<u>—</u>