

Rockstone Surfacing Limited

Annual Report and Financial Statements
for the Year Ended 31 August 2016

Philip Nickson & Co Ltd
Chartered Accountants and Registered Auditors
Paradise Farm
High Street
Kempsford
Fairford
Gloucestershire
GL7 4EU

Rockstone Surfacing Limited

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Rockstone Surfacing Limited

Company Information

Directors S M Dziubinski
L J Dziubinski

Company secretary L J Dziubinski

Registered office Central Trading Estate
Signal Way
Swindon
SN3 1PD

Auditors Philip Nickson & Co Ltd
Chartered Accountants and Registered Auditors
Paradise Farm
High Street
Kempsford
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GL7 4EU

Rockstone Surfacing Limited

Strategic Report for the Year Ended 31 August 2016

The directors present their strategic report for the year ended 31 August 2016.

Principal activity

The principal activity of the company is the provision of and repair of road surfacing

Fair review of the business

The Company recorded a nominal increase in turnover (+0.99% to £10,786,613), and a decline in pre-tax profit (-23% to £910,434). Whilst gross margin only reduced slightly (-0.10% to 18.65%), the decreased level of profit stems largely from the increased level of administrative expenses (+£295k).

Whilst turnover has remained comparable with the previous year, the scope and complexity has increased, particularly with the volume of management required to fulfil the work volume. In May 2016 The Company formed an in-house Technical Department, to offer supporting expertise to our various stakeholders whether it be at pre-contract stage, or in reactive fashion to an ever-changing operational landscape. June 2016, The Company created an in-house traffic management division featuring a full-time managerial role. Both of which have contributed to the large increase in overheads mentioned.

In 2016, all works procured directly for Local Authorities were secured as Principal Contractor involving various ancillary works otherwise usually outside of our core capabilities as a business, including; traffic management and ground work. The Company has invested heavily in training and development of these sectors in a bid to build on our commitment to continually bring more elements of services offered in-house.

The Company will continue to strive to retain core clients, by maintaining high standards of workmanship whilst offering an increased level of Service. New Enterprise Planning Systems due to roll out in 2017 will complement the new Technical Department by offering enhanced levels of quality management, by eventually being able to offer real-time traceability of installed materials

Principal risks and uncertainties

Whilst well documented, the full impact of the EU referendum remains to be felt within the construction industry and the Company will continue to focus on business-critical elements that may be affected in the future:

Available labour: The company will continue to invest in the training and development of home-grown talent for manual and skilled rolls within the workforce.

Legislative Change: Added personnel within technical and managerial positions will facilitate swift transition as the country migrates from previous EU-driven legislation.

Approved by the Board on 23 May 2017 and signed on its behalf by:

.....
S M Dziubinski
Director

Rockstone Surfacing Limited

Directors' Report for the Year Ended 31 August 2016

The directors present their report and the financial statements for the year ended 31 August 2016.

Directors of the company

The directors who held office during the year were as follows:

S M Dziubinski

L J Dziubinski

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 23 May 2017 and signed on its behalf by:

.....
S M Dziubinski
Director

Rockstone Surfacing Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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

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

We have audited the financial statements of Rockstone Surfacing Limited for the year ended 31 August 2016, set out on pages 7 to 22. 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2016 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.

Rockstone Surfacing Limited

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

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our 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 and the Directors' Report.

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.

.....
Philip Nickson (Senior Statutory Auditor)
For and on behalf of Philip Nickson & Co Ltd, Statutory Auditor
Paradise Farm
High Street
Kempsford
Fairford
Gloucestershire
GL7 4EU

23 May 2017

Rockstone Surfacing Limited

Profit and Loss Account for the Year Ended 31 August 2016

	Note	Total 31 August 2016 £	Total 31 August 2015 £
Turnover	<u>3</u>	10,786,613	10,680,509
Cost of sales		<u>(8,774,618)</u>	<u>(8,678,222)</u>
Gross profit		2,011,995	2,002,287
Administrative expenses		(1,103,747)	(808,340)
Other operating income	<u>4</u>	<u>2,956</u>	<u>-</u>
Operating profit	<u>5</u>	<u>911,204</u>	<u>1,193,947</u>
Other interest receivable and similar income	<u>6</u>	15,129	835
Interest payable and similar expenses	<u>7</u>	<u>(15,899)</u>	<u>(11,664)</u>
		<u>(770)</u>	<u>(10,829)</u>
Profit before tax		910,434	1,183,118
Taxation	<u>11</u>	<u>(225,058)</u>	<u>(247,097)</u>
Profit for the financial year and total comprehensive income for the year		<u><u>685,376</u></u>	<u><u>936,021</u></u>

The notes on pages 11 to 22 form an integral part of these financial statements.

Rockstone Surfacing Limited
(Registration number: 01933766)
Balance Sheet as at 31 August 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	<u>12</u>	223,000	278,750
Tangible assets	<u>13</u>	774,876	884,085
Investment property	<u>14</u>	294,169	-
		<u>1,292,045</u>	<u>1,162,835</u>
Current assets			
Stocks	<u>15</u>	-	2,500
Debtors	<u>16</u>	3,012,413	3,315,965
Cash at bank and in hand		<u>2,259,395</u>	<u>1,810,335</u>
		5,271,808	5,128,800
Creditors: Amounts falling due within one year	<u>18</u>	<u>(2,140,814)</u>	<u>(1,951,464)</u>
Net current assets		<u>3,130,994</u>	<u>3,177,336</u>
Total assets less current liabilities		4,423,039	4,340,171
Creditors: Amounts falling due after more than one year	<u>18</u>	(29,359)	(120,574)
Provisions for liabilities	<u>19</u>	<u>(130,715)</u>	<u>(118,408)</u>
Net assets		<u>4,262,965</u>	<u>4,101,189</u>
Capital and reserves			
Called up share capital	<u>21</u>	100	100
Profit and loss account		<u>4,262,865</u>	<u>4,101,089</u>
Total equity		<u>4,262,965</u>	<u>4,101,189</u>

Financial Statements can be amended after issue with proper authorisation.

Approved and authorised by the Board on 23 May 2017 and signed on its behalf by:

.....

S M Dziubinski

Director

Rockstone Surfacing Limited

Statement of Changes in Equity for the Year Ended 31 August 2016

	Share capital £	Profit and loss account £	Total £
At 1 September 2015	100	4,101,089	4,101,189
Profit for the year	-	685,376	685,376
Total comprehensive income	-	685,376	685,376
Dividends	-	(523,600)	(523,600)
At 31 August 2016	100	4,262,865	4,262,965
	Share capital £	Profit and loss account £	Total £
At 1 September 2014	100	3,318,668	3,318,768
Profit for the year	-	936,021	936,021
Total comprehensive income	-	936,021	936,021
Dividends	-	(153,600)	(153,600)
At 31 August 2015	100	4,101,089	4,101,189

The notes on pages 11 to 22 form an integral part of these financial statements.

Rockstone Surfacing Limited

Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the year		685,376	936,021
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	340,798	264,242
(Profit)/loss on disposal of tangible assets		(30)	4,000
Finance income	<u>6</u>	(15,129)	(835)
Finance costs	<u>7</u>	15,899	11,664
Income tax expense	<u>11</u>	225,058	247,097
		<u>1,251,972</u>	<u>1,462,189</u>
Working capital adjustments			
Decrease in stocks	<u>15</u>	2,500	69,672
Decrease in trade debtors	<u>16</u>	303,551	444,218
Increase/(decrease) in trade creditors	<u>18</u>	235,886	(274,512)
		<u>1,793,909</u>	<u>1,701,567</u>
Cash generated from operations			
Income taxes paid	<u>11</u>	(210,368)	(82,231)
Net cash flow from operating activities		<u>1,583,541</u>	<u>1,619,336</u>
Cash flows from investing activities			
Interest received	<u>6</u>	15,129	835
Acquisitions of tangible assets		(175,838)	(420,208)
Proceeds from sale of tangible assets		30	46,000
Acquisition of investment properties		<u>(294,169)</u>	<u>-</u>
Net cash flows from investing activities		<u>(454,848)</u>	<u>(373,373)</u>
Cash flows from financing activities			
Interest paid	<u>7</u>	(15,899)	(11,664)
Proceeds from other borrowing draw downs		-	83,572
Repayment of other borrowing		(155,429)	-
Dividends paid	<u>23</u>	(523,600)	(153,600)
Net cash flows from financing activities		<u>(694,928)</u>	<u>(81,692)</u>
Net increase in cash and cash equivalents		433,765	1,164,271
Cash and cash equivalents at 1 September		<u>1,810,335</u>	<u>646,064</u>
Cash and cash equivalents at 31 August		<u><u>2,244,100</u></u>	<u><u>1,810,335</u></u>

The notes on pages 11 to 22 form an integral part of these financial statements.

Rockstone Surfacing Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

1 General information

The company is a private company limited by share capital incorporated in England.

The address of its registered office is:

Central Trading Estate

Signal Way

Swindon

SN3 1PD

The principal activity of the company is disclosed in the Strategic Report.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Companies Act 2006 and with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This is the first year that FRS102 has been adopted. No transitional adjustments were required in the conversion to FRS 102.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Rockstone Surfacing Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land	Not depreciated
Freehold buildings	2% straight line basis
Plant and machinery	20% straight line basis
Motor vehicles	20% straight line basis
Office equipment	20% straight line basis

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% straight line basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Rockstone Surfacing Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Rockstone Surfacing Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2016 £	2015 £
Rendering of services	10,786,613	10,680,509

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2016 £	2015 £
Sub lease rental income	2,956	-

Rockstone Surfacing Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

5 Operating profit

Arrived at after charging/(crediting)

	2016 £	2015 £
Depreciation expense	285,048	249,242
Amortisation expense	55,750	15,000
Operating lease expense - plant and machinery	467,708	461,938
(Profit)/loss on disposal of property, plant and equipment	(30)	4,000

6 Other interest receivable and similar income

	2016 £	2015 £
Interest income on financial assets	15,129	835

7 Interest payable and similar expenses

	2016 £	2015 £
Interest on obligations under finance leases and hire purchase contracts	15,899	11,664

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016 £	2015 £
Wages and salaries	2,072,995	1,702,045
Social security costs	205,938	174,710
Pension costs, defined contribution scheme	4,801	7,271
Pension costs, defined benefit scheme	11,385	1,015
	2,295,119	1,885,041

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2016 No.	2015 No.
Production	44	28
Administration and support	10	9
Other departments	4	4
	58	41

Rockstone Surfacing Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016	2015
	£	£
Remuneration	16,552	22,092
Contributions paid to money purchase schemes	4,801	7,271
	<u>21,353</u>	<u>29,363</u>

10 Auditors' remuneration

	2016	2015
	£	£
Audit of the financial statements	<u>4,000</u>	<u>2,000</u>

Rockstone Surfacing Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

11 Taxation

Tax charged/(credited) in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	213,408	208,000
UK corporation tax adjustment to prior periods	(657)	-
	<u>212,751</u>	<u>208,000</u>
Deferred taxation		
Arising from origination and reversal of timing differences	<u>12,307</u>	<u>39,097</u>
Tax expense in the income statement	<u>225,058</u>	<u>247,097</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20.57%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>910,434</u>	<u>1,183,118</u>
Corporation tax at standard rate	182,087	243,367
Effect of expense not deductible in determining taxable profit (tax loss)	3,661	6,259
Tax increase/(decrease) from effect of capital allowances and depreciation	39,967	(2,529)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(657)</u>	<u>-</u>
Total tax charge	<u>225,058</u>	<u>247,097</u>

Deferred tax

Deferred tax assets and liabilities

2016	Liability £
Difference between accumulated depreciation and capital allowances	<u>130,715</u>
2015	Liability £
Difference between accumulated depreciation and capital allowances	<u>118,408</u>

Rockstone Surfacing Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

12 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 September 2015	300,000	300,000
At 31 August 2016	300,000	300,000
Amortisation		
At 1 September 2015	21,250	21,250
Amortisation charge	55,750	55,750
At 31 August 2016	77,000	77,000
Carrying amount		
At 31 August 2016	223,000	223,000
At 31 August 2015	278,750	278,750

13 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 September 2015	309,151	1,842,635	551,336	2,703,122
Additions	-	58,866	116,972	175,838
Disposals	-	-	(17,470)	(17,470)
At 31 August 2016	309,151	1,901,501	650,838	2,861,490
Depreciation				
At 1 September 2015	133,442	1,366,862	318,733	1,819,037
Charge for the year	3,091	183,137	98,819	285,047
Eliminated on disposal	-	-	(17,470)	(17,470)
At 31 August 2016	136,533	1,549,999	400,082	2,086,614
Carrying amount				
At 31 August 2016	172,618	351,502	250,756	774,876
At 31 August 2015	175,709	449,973	258,403	884,085

Included within the net book value of land and buildings above is £172,617 (2015 - £175,709) in respect of freehold land and buildings.

The carrying value of freehold land was £154,575 (2015 - £ 154,575).

Rockstone Surfacing Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016 £	2015 £
Furniture fittings and equipment	238,016	325,064

14 Investment properties

	2016 £
Additions	294,169

The investment property was acquired shortly before the year end and the acquisition cost was deemed to be the fair value.

There has been no valuation of investment property by an independent valuer.

15 Stocks

	2016 £	2015 £
Raw materials and consumables	-	2,500

16 Debtors

	2016 £	2015 £
Trade debtors	2,809,541	2,838,204
Other debtors	191,128	465,522
Prepayments	11,744	12,239
	3,012,413	3,315,965
Less non-current portion	(6,164)	-
Total current trade and other debtors	3,006,249	3,315,965

Details of non-current trade and other debtors

£6,164 (2015 -£Nil) of Trade debtors is classified as non current. Non current trade debtors are made up of retentions receivable after a contractually defined maintenance period.

Rockstone Surfacing Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

17 Cash and cash equivalents

	2016 £	2015 £
Cash on hand	33	55
Cash at bank	2,259,362	1,810,280
	2,259,395	1,810,335
Bank overdrafts	(15,295)	-
Cash and cash equivalents in statement of cash flows	2,244,100	1,810,335

18 Creditors

	Note	2016 £	2015 £
Due within one year			
Loans and borrowings	<u>22</u>	106,510	155,429
Trade creditors		1,546,809	1,487,941
Social security and other taxes		60,196	53,175
Other payables		10,932	4,141
Accrued expenses		202,959	39,753
Income tax liability	<u>11</u>	213,408	211,025
		2,140,814	1,951,464
Due after one year			
Loans and borrowings	<u>22</u>	29,359	120,574

19 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 September 2015	118,408	118,408
Additional provisions	12,307	12,307
At 31 August 2016	130,715	130,715

20 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £4,801 (2015 - £7,271).

Rockstone Surfacing Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

21 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

All shares rank equally for voting rights

All shares rank equally for dividends

All shares rank equally for distributions including distributions on winding up

22 Loans and borrowings

	2016	2015
	£	£
Non-current loans and borrowings		
Finance lease liabilities	29,359	120,574

	2016	2015
	£	£
Current loans and borrowings		
Bank overdrafts	15,295	-
Finance lease liabilities	91,215	155,429
	106,510	155,429

23 Dividends

Interim dividends paid

	2016	2015
	£	£
Interim dividend of £5,236 (2015 - £1,536) per each ordinary share	523,600	153,600

Rockstone Surfacing Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

24 Related party transactions

Key management compensation

	2016 £	2015 £
Salaries and other short term employee benefits	308,745	120,000
Post-employment benefits	737	725
	<u>309,482</u>	<u>120,725</u>

Transactions with directors

	At 1 September 2015 £	Advances to directors £	Repayments by director £	At 31 August 2016 £
2016				
S M Dziubinski				
Directors current account	137,957	43,090	(181,047)	-
	<u>137,957</u>	<u>43,090</u>	<u>(181,047)</u>	<u>-</u>
L J Dziubinski				
Directors current account	137,957	43,090	(181,047)	-
	<u>137,957</u>	<u>43,090</u>	<u>(181,047)</u>	<u>-</u>

	At 1 September 2014 £	Advances to directors £	At 31 August 2015 £
2015			
S M Dziubinski			
Directors current account	131,906	6,051	137,957
	<u>131,906</u>	<u>6,051</u>	<u>137,957</u>
L J Dziubinski			
Directors current account	131,906	6,051	137,957
	<u>131,906</u>	<u>6,051</u>	<u>137,957</u>

Dividends paid to directors

	2016 £	2015 £
S M Dziubinski		
Dividends paid	261,800	76,800
	<u>261,800</u>	<u>76,800</u>

25 Control

The company is controlled by the directors who own 100% of the called up share capital.

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