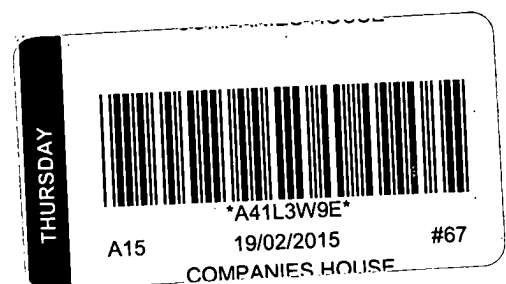


COMPANY REGISTRATION NUMBER 01933766

Rockstone Surfacing Limited

Financial Statements

31 August 2014



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 2014

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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 Plc
1 Marlborough Road
Old Town
Swindon
Wiltshire
SN3 1QN

Rockstone Surfacing Limited

Strategic Report

Year Ended 31 August 2014

Over the past year the Construction industry has remained challenging. Despite continued economic improvement and growth within the sector, many of our customers still bear the financial constraints afflicted by the recession. Budgets and works programmes remain constricted, and our focus has remained on providing a cost-effective and responsive service within all types of surfacing sub-contracts.

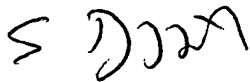
A combination of our existing client's growth and the establishment of new relationships throughout 2014 has seen turnover increase by 22%. In acknowledgement of such growth forecast earlier in the year, we have made significant capital investment in new plant and machinery by increasing levels by 34%, also recruiting additional foremen and in-house operatives increasing our direct labour force by 12%. Our main challenge has been to preserve the high level of quality and service expected from Rockstone whilst our volume of work increases. By effective spending and recruitment we have developed a team capable of satisfying demand in-house, relinquishing our previous reliance on sub-contract labour and hire of plant via third party.

In 2015, we anticipate award of Sector Scheme 16 accreditation and the formalisation of ISO Quality Management Systems, further bolstering our commitment to quality particularly when operating a larger number of surfacing teams. The requirement for new roles within the organisation have been identified and the recruitment process is underway. As the business continues to grow, high-quality competitively priced work, delivered within short lead times will always remain our core aim for both new and existing Clients.

Signed on behalf of the directors

Mr S M Dziubinski

Director



Approved by the directors on 13/2/15

Rockstone Surfacing Limited

Directors' Report

Year Ended 31 August 2014

The directors present their report and the financial statements of the company for the year ended 31 August 2014.

Results and dividends

The profit for the year, after taxation, amounted to £518,994. Particulars of dividends paid are detailed in note 9 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 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 of the profit or loss of the company for that year.

In preparing these 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

Directors' Report *(continued)*

Year Ended 31 August 2014

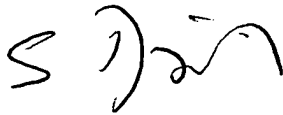
Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has 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.

Signed on behalf of the directors

Mr S M Dziubinski

Director



Approved by the directors on ...13/2/15...

Rockstone Surfacing Limited

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

Year Ended 31 August 2014

We have audited the financial statements of Rockstone Surfacing Limited for the year ended 31 August 2014. 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 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 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 page 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 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 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 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Rockstone Surfacing Limited

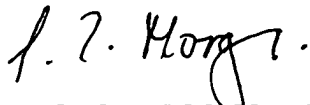
Independent Auditor's Report to the Shareholders of Rockstone Surfacing Limited (continued)

Year Ended 31 August 2014

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

17/2/15

Rockstone Surfacing Limited

Profit and Loss Account

Year Ended 31 August 2014

	Note	2014 £	2013 £
Turnover	2	8,967,416	7,351,633
Cost of sales		<u>7,595,511</u>	<u>6,755,263</u>
Gross profit		1,371,905	596,370
Distribution costs		11,336	10,305
Administrative expenses		682,041	488,139
Other operating income		–	(40)
Operating profit	3	678,528	97,966
Income from participating interests	6	–	(24,030)
Interest receivable		798	745
Interest payable and similar charges	7	(10,545)	(1,546)
Profit on ordinary activities before taxation		668,781	73,135
Tax on profit on ordinary activities	8	149,787	18,134
Profit for the financial year		<u>518,994</u>	<u>55,001</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 10 to 20 form part of these financial statements.

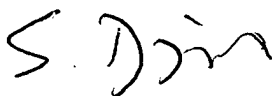
Rockstone Surfacing Limited

Balance Sheet

31 August 2014

	Note	2014 £	2013 £
Fixed assets			
Intangible assets	10	293,750	—
Tangible assets	11	763,119	500,928
		<u>1,056,869</u>	<u>500,928</u>
Current assets			
Stocks	12	72,172	3,700
Debtors	13	3,760,183	2,926,634
Cash at bank		646,064	1,072,575
		<u>4,478,419</u>	<u>4,002,909</u>
Creditors: Amounts falling due within one year	14	<u>2,026,670</u>	<u>1,482,242</u>
Net current assets		<u>2,451,749</u>	<u>2,520,667</u>
Total assets less current liabilities		<u>3,508,618</u>	<u>3,021,595</u>
Creditors: Amounts falling due after more than one year	15	110,539	52,640
Provisions for liabilities			
Deferred taxation	17	79,311	15,581
		<u>3,318,768</u>	<u>2,953,374</u>
Capital and reserves			
Called-up equity share capital	20	100	100
Profit and loss account	21	3,318,668	2,953,274
Shareholders' funds	22	<u>3,318,768</u>	<u>2,953,374</u>

These accounts were approved by the directors and authorised for issue on 13/2/15, and are signed on their behalf by:



Mr S M Dziubinski
Director

Company Registration Number: 01933766

The notes on pages 10 to 20 form part of these financial statements.

Rockstone Surfacing Limited

Cash Flow Statement

Year Ended 31 August 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	23	378,903	83,189
Returns on investments and servicing of finance	23	(9,747)	(24,831)
Taxation	23	(58,645)	(21,150)
Capital expenditure and financial investment	23	(689,810)	(147,197)
Equity dividends paid		(153,600)	(153,600)
Cash outflow before financing		<u>(532,899)</u>	<u>(263,589)</u>
Financing	23	106,388	60,258
Decrease in cash	23	<u>(426,511)</u>	<u>(203,331)</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2014

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, plus amounts to which the company earns the right of consideration.

Amortisation

Amortisation 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:

Goodwill - 5% straight line

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.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

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.

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.

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2014

1. Accounting policies *(continued)*

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:

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:

	2014 £	2013 £
United Kingdom	<u>8,967,416</u>	<u>7,351,633</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2014

3. Operating profit

Operating profit is stated after charging/(crediting):

	2014 £	2013 £
Amortisation of intangible assets	6,250	—
Depreciation of owned fixed assets	108,952	83,093
Depreciation of assets held under hire purchase agreements	58,667	20,167
Profit on disposal of fixed assets	(40,000)	(474)
Auditor's remuneration		
- as auditor	2,000	2,000
Operating lease costs:		
- Plant and equipment	497,881	447,083

4. Particulars of employees

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

	2014 No	2013 No
Number of site staff	37	34
Number of administrative staff	6	5
Number of management staff	7	6
	<u>50</u>	<u>45</u>

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	1,486,068	1,401,211
Social security costs	156,449	148,069
Other pension costs	11,336	10,305
	<u>1,653,853</u>	<u>1,559,585</u>

5. Directors' remuneration

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

	2014 £	2013 £
Aggregate remuneration	24,139	24,591
Value of company pension contributions to money purchase schemes	11,336	10,305
	<u>35,475</u>	<u>34,896</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2014

5. Directors' remuneration *(continued)*

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

	2014 No	2013 No
Money purchase schemes	<u>2</u>	<u>2</u>

6. Income from participating interests

	2014 £	2013 £
Income from participating interests - DDCS Properties Limited	<u>-</u>	<u>(24,030)</u>

7. Interest payable and similar charges

	2014 £	2013 £
Finance charges	4,184	1,546
Other similar charges payable	<u>6,361</u>	<u>-</u>
	<u>10,545</u>	<u>1,546</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20.73% (2013 - 20%)	<u>86,057</u>	<u>2,553</u>
Total current tax	<u>86,057</u>	<u>2,553</u>
Deferred tax:		
Origination and reversal of timing differences (note 17)		
Capital allowances	<u>63,730</u>	<u>15,581</u>
Tax on profit on ordinary activities	<u>149,787</u>	<u>18,134</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2014

8. Taxation on ordinary activities *(continued)*

(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 20.73% (2013 - 20%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>668,781</u>	<u>73,135</u>
Profit on ordinary activities by rate of tax	138,638	14,627
Expenses not deductible for tax purposes	2,717	2,463
Depreciation for the year in excess of capital allowances	(56,102)	(19,568)
Income not taxable	-	(194)
Sundry tax adjusting items	<u>804</u>	<u>5,225</u>
Total current tax (note 8(a))	<u>86,057</u>	<u>2,553</u>

9. Dividends

Equity dividends

	2014 £	2013 £
Paid during the year:		
Equity dividends on ordinary shares	<u>153,600</u>	<u>153,600</u>

10. Intangible fixed assets

	Goodwill £
Cost	
Additions	<u>300,000</u>
At 31 August 2014	<u>300,000</u>
Amortisation	
Charge for the year	<u>6,250</u>
At 31 August 2014	<u>6,250</u>
Net book value	
At 31 August 2014	<u>293,750</u>
At 31 August 2013	<u>-</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2014

11. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
Cost					
At 1 September 2013	309,151	1,188,579	826,817	142,346	2,466,893
Additions	–	401,310	28,500	–	429,810
Disposals	–	143,000	(19,555)	–	123,445
At 31 August 2014	309,151	1,732,889	835,762	142,346	3,020,148
Depreciation					
At 1 September 2013	127,258	1,087,099	613,953	137,655	1,965,965
Charge for the year	3,092	111,753	51,547	1,227	167,619
On disposals	–	143,000	(19,555)	–	123,445
At 31 August 2014	130,350	1,341,852	645,945	138,882	2,257,029
Net book value					
At 31 August 2014	178,801	391,037	189,817	3,464	763,119
At 31 August 2013	181,893	101,480	212,864	4,691	500,928

Hire purchase agreements

Included within the net book value of £763,119 is £208,724 (2013 - £74,893) 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 £58,667 (2013 - £20,167).

12. Stocks

	2014 £	2013 £
Stock	3,700	3,700
Work in progress	68,472	–
	72,172	3,700

13. Debtors

	2014 £	2013 £
Trade debtors	3,330,542	2,859,784
VAT recoverable	99,210	–
Other debtors	66,619	66,850
Directors current accounts	263,812	–
	3,760,183	2,926,634

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2014

14. Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	1,732,880	1,263,871
Corporation tax	85,256	57,844
PAYE and social security	62,423	52,047
VAT	—	5,864
Hire purchase agreements	81,892	33,403
Other creditors	680	4,055
Directors current accounts	—	12,000
Accruals and deferred income	63,539	53,158
	<u>2,026,670</u>	<u>1,482,242</u>

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

	2014 £	2013 £
Hire purchase agreements	<u>81,892</u>	<u>33,403</u>

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

	2014 £	2013 £
Hire purchase agreements	<u>110,539</u>	<u>52,640</u>

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

	2014 £	2013 £
Hire purchase agreements	<u>110,539</u>	<u>52,640</u>

16. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2014 £	2013 £
Amounts payable within 1 year	81,892	33,403
Amounts payable between 1 and 2 years	110,539	52,640
	<u>192,431</u>	<u>86,043</u>
Hire purchase agreements are analysed as follows:		
Current obligations	81,892	33,403
Non-current obligations	110,539	52,640
	<u>192,431</u>	<u>86,043</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2014

17. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2014 £	2013 £
Provision brought forward	15,581	-
Profit and loss account movement arising during the year	63,730	15,581
Provision carried forward	<u>79,311</u>	<u>15,581</u>

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

	2014 £	2013 £
Excess of taxation allowances over depreciation on fixed assets	79,311	15,581
	<u>79,311</u>	<u>15,581</u>

18. Transactions with the directors

During the year, Mr S M Dziubinski and Mrs L J Dziubinski received a joint loan from the company. The balances were: beginning of year: £0 (2013: £0); end of year: £263,812 (2013: £0).

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2014

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.

During the year, Mr S M Dziubinski and Mrs L J Dziubinski made a joint loan to the company. The balances were: beginning of year: £12,000 (2013: £251,919); end of year: £0 (2013: £12,000). No interest is paid 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 (2013: £76,800)

Mrs L J Dziubinski £76,800 (2013: £76,800)

Mr S M Dziubinski and Mrs L J Dziubinski; directors of Rockstone Surfacing Limited, were also partners in a business trading as 'Roadmasters' which ceased trading on 31 March 2014. On the 6 April 2014 the company acquired the goodwill and assets of the partnership for the sum of £300,000.

During the year, charges were made by the company to Roadmasters totalling £108,500(2013: £230,750). 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. £0 (2013: £643,462) is included in trade debtors at the year end in relation to amounts due from Roadmasters.

Roadmasters invoiced the company a total of £23,056 (2013: £52,292) 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:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

21. Profit and loss account

	2014	2013
	£	£
Balance brought forward	2,953,274	3,051,873
Profit for the financial year	518,994	55,001
Equity dividends	(153,600)	(153,600)
Balance carried forward	<u>3,318,668</u>	<u>2,953,274</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2014

22. Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	518,994	55,001
Equity dividends	(153,600)	(153,600)
Net addition/(reduction) to shareholders' funds	365,394	(98,599)
Opening shareholders' funds	2,953,374	3,051,973
Closing shareholders' funds	<u>3,318,768</u>	<u>2,953,374</u>

23. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2014 £	2013 £
Operating profit	678,528	97,966
Amortisation	6,250	–
Depreciation	167,619	103,260
Profit on disposal of fixed assets	(40,000)	(474)
Increase in stocks	(68,472)	–
Increase in debtors	(833,549)	(226,170)
Increase in creditors	468,527	108,607
Net cash inflow from operating activities	<u>378,903</u>	<u>83,189</u>

Returns on investments and servicing of finance

	2014 £	2013 £
Income from participating interests	–	(24,030)
Interest received	798	745
Interest paid	(6,361)	–
Interest element of hire purchase	(4,184)	(1,546)
Net cash outflow from returns on investments and servicing of finance	<u>(9,747)</u>	<u>(24,831)</u>

Taxation

	2014 £	2013 £
Taxation	<u>(58,645)</u>	<u>(21,150)</u>

Rockstone Surfacing Limited

Notes to the Financial Statements

Year Ended 31 August 2014

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

Capital expenditure and financial investment

	2014 £	2013 £
Payments to acquire intangible fixed assets	(300,000)	–
Payments to acquire tangible fixed assets	(429,810)	(147,697)
Receipts from sale of fixed assets	40,000	475
Disposal of fixed asset investments	–	25
Net cash outflow for capital expenditure and financial investment	<u>(689,810)</u>	<u>(147,197)</u>

Financing

	2014 £	2013 £
Capital element of hire purchase	106,388	60,258
Net cash inflow from financing	<u>106,388</u>	<u>60,258</u>

Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
Decrease in cash in the period	(426,511)	(203,331)
Cash outflow in respect of hire purchase	<u>(106,388)</u>	<u>(60,258)</u>
	(532,899)	(263,589)
Change in net funds	(532,899)	(263,589)
Net funds at 1 September 2013	986,532	1,250,121
Net funds at 31 August 2014	<u>453,633</u>	<u>986,532</u>

Analysis of changes in net funds

	At 1 Sep 2013 £	Cash flows £	At 31 Aug 2014 £
Net cash:			
Cash in hand and at bank	1,072,575	(426,511)	646,064
Debt:			
Hire purchase agreements	(86,043)	(106,388)	(192,431)
Net funds	<u>986,532</u>	<u>(532,899)</u>	<u>453,633</u>

Rockstone Surfacing Limited

Management Information

Year Ended 31 August 2014

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 5 to 6.

Rockstone Surfacing Limited

Detailed Profit and Loss Account

Year Ended 31 August 2014

	2014	2013
	£	£
Turnover	8,967,416	7,351,633
Cost of sales		
Opening stock	3,700	3,700
Materials	4,990,269	4,143,599
Direct wages	1,122,106	1,108,064
National insurance contributions on direct labour	120,359	119,073
Subcontract	300,639	319,433
Accommodation and subsistence	484	1,966
Machinery and motor running expenses	400,907	419,233
Transport of plant and machinery	108,038	98,345
Hire of plant, machinery and vehicles	497,881	447,083
Depreciation of plant and machinery	111,753	48,574
Depreciation of motor vehicles	51,547	50,367
Profit on disposal of fixed assets	(40,000)	(474)
	7,667,683	6,758,963
Closing stock	(3,700)	(3,700)
Closing work-in-progress	(68,472)	—
	7,595,511	6,755,263
Gross profit	1,371,905	596,370
Overheads		
Directors pension contributions	11,336	10,305
Administrative expenses	682,041	488,139
	693,377	498,444
	678,528	97,926
Other operating income		
Other operating income	—	40
Operating profit	678,528	97,966
Income from shares in related companies	—	(24,030)
Bank interest receivable	798	745
	679,326	74,681
Interest payable	(10,545)	(1,546)
Profit on ordinary activities	668,781	73,135

Rockstone Surfacing Limited

Notes to the Detailed Profit and Loss Account

Year Ended 31 August 2014

	2014	2013
	£	£
Administrative expenses		
Personnel costs		
Administrative staff salaries	352,628	281,472
Recruitment expenses	237	521
Staff medical insurance	11,097	11,154
Staff national insurance contributions	36,090	28,996
	<u>400,052</u>	<u>322,143</u>
Establishment expenses		
Light, heat and rates	21,240	20,393
Insurance	28,407	27,525
Repairs and maintenance	11,338	13,150
Cleaning of premises	5,157	3,056
	<u>66,142</u>	<u>64,124</u>
General expenses		
Telephone and postage	13,710	15,430
Printing and stationery	11,698	10,205
Computer expenses, software support and training	10,915	9,454
Sundry expenses	7,926	13,510
Donations	650	1,045
CITB levy	8,997	8,450
Advertising	240	5,340
Entertaining and gifts	12,601	11,385
Legal and professional fees	4,750	4,911
Payroll fees	1,088	1,420
Accountancy fees	10,000	10,500
Auditors remuneration	2,000	2,000
Amortisation of goodwill	6,250	—
Depreciation of freehold property	3,092	3,092
Depreciation of office equipment	1,227	1,227
	<u>95,144</u>	<u>97,969</u>
Financial costs		
Bad and doubtful debts	118,223	2,254
Bank charges	2,480	1,649
	<u>120,703</u>	<u>3,903</u>
	<u>682,041</u>	<u>488,139</u>
Interest receivable		
Bank interest receivable	798	745

Rockstone Surfacing Limited

Notes to the Detailed Profit and Loss Account

Year Ended 31 August 2014

	2014	2013
	£	£
Interest payable		
Interest charged on late payment of corporation tax	6,361	—
Hire purchase and finance lease charges	4,184	1,546
	<u>10,545</u>	<u>1,546</u>