

Registered number  
01933766

Rockstone Surfacing Limited

Report and Accounts

31 August 2015

**Rockstone Surfacing Limited**  
**Report and accounts**  
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**Rockstone Surfacing Limited**  
**Officers and Professional Advisers**

**Directors**

Mr S M Dziubinski

Mrs L J Dziubinski

**Secretary**

Mrs L J Dziubinski

**Auditors**

AGL

Prudence House, Ashleigh Way

Langage Business Park, Plympton

Plymouth

Devon

PL7 5JX

**Bankers**

HSBC Bank PLC

1 Marlborough Road

Old Town

Swindon

Wiltshire

SN3 1QN

**Registered office**

Central Trading Estate

Signal Way

Swindon

Wiltshire

SN3 1PD

**Registered number**

01933766

## **Rockstone Surfacing Limited**

### **Strategic Report**

We are pleased to report another year of significant growth; with turnover increasing 19% year on year, an increase of 45% since 2013. Our surfacing operations remain evenly distributed between public, private, commercial and residential markets, within which our growth has been underpinned by a strong focus on customer retention.

With demand often outstripping supply within the industry we have persevered to provide stability for our existing client base. Both operationally; creating a more agile business capable of satisfying surges in market demand, and commercially, fulfilling our duties at a competitive and stable price.

As ever, the focus remains long-term with our clients, avoiding levying capacity-driven price increases so common across the industry. Elimination of sub-contract installation teams has rendered 100% of macadam work carried out in-house, contributing to the high level of workmanship which our clients seek to retain with our continued employ.

A bi-product of the UK's improving Construction Industry has been the allowance of a degree of selectivity towards new business, especially given Rockstone's operational levels being at near capacity for the full financial year. We have been able to carefully consider clients whose core values reflect ours, and identify the potential for new long-term relationships when tendering. Conversely our prospective clients are developing more creative procurement methods to ensure that the required levels of quality are represented within bids received. We continue to re-invest resources towards quality management to reinforce the value always offered within our organisation, and have seen multiple public-sector contracts secured as a result of this.

Our optimism extends to 2016 where continued organic and sustainable growth will be Rockstone's core objective, to protect and build on another solid year's trading performance.

This report was approved by the board on 24 December 2015 and signed on its behalf.

Mr S M Dziubinski

Director

# **Rockstone Surfacing Limited**

**Registered number:**

01933766

## **Directors' Report**

The directors present their report and accounts for the year ended 31 August 2015.

### **Results and dividends**

The profit for the year, after taxation, amounted to £936021. Particulars of dividends paid are detailed in note 18 to the financial statements.

### **Principal activities**

The company's principal activity during the year continued to be in connection with the construction of roads and motorways.

### **Directors**

The following persons served as directors during the year:

Mr S M Dziubinski

Mrs L J Dziubinski

### **Directors' responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

### **Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

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

This report was approved by the board on 24 December 2015 and signed on its behalf.

Mr S M Dziubinski  
Director

# **Rockstone Surfacing Limited**

## **Independent auditors' report**

### **to the members of Rockstone Surfacing Limited**

We have audited the accounts of Rockstone Surfacing Limited for the year ended 31 August 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 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 auditors' 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

#### **Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 August 2015 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 and the Strategic Report for the financial year for which the accounts are prepared is consistent with the accounts.

#### **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 accounts 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

Accountants and Statutory Auditors

24 December 2015

Prudence House, Ashleigh Way

Langage Business Park, Plympton

Plymouth

Devon

PL7 5JX

**Rockstone Surfacing Limited**  
**Profit and Loss Account**  
**for the year ended 31 August 2015**

	Notes	2015 £	2014 £
Turnover	2	10,680,509	8,967,416
Cost of sales		(8,669,674)	(7,595,511)
<b>Gross profit</b>		<u>2,010,835</u>	<u>1,371,905</u>
Administrative expenses		(816,888)	(693,377)
<b>Operating profit</b>	3	<u>1,193,947</u>	<u>678,528</u>
Interest receivable		835	798
Interest payable	6	(11,664)	(10,545)
<b>Profit on ordinary activities before taxation</b>		<u>1,183,118</u>	<u>668,781</u>
Tax on profit on ordinary activities	7	(247,097)	(149,787)
<b>Profit for the financial year</b>		<u>936,021</u>	<u>518,994</u>

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial years.

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the profit for the above two financial years.



**Rockstone Surfacing Limited**  
**Balance Sheet**  
**as at 31 August 2015**

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Intangible assets	8	278,750	293,750
Tangible assets	9	884,085	763,119
		<u>1,162,835</u>	<u>1,056,869</u>
<b>Current assets</b>			
Stocks	10	2,500	72,172
Debtors	11	3,315,965	3,760,183
Cash at bank and in hand		1,810,335	646,064
		<u>5,128,800</u>	<u>4,478,419</u>
<b>Creditors: amounts falling due within one year</b>	12	(1,951,464)	(2,026,670)
<b>Net current assets</b>		<u>3,177,336</u>	<u>2,451,749</u>
<b>Total assets less current liabilities</b>		<u>4,340,171</u>	<u>3,508,618</u>
<b>Creditors: amounts falling due after more than one year</b>	13	(120,574)	(110,539)
<b>Provisions for liabilities</b>			
Deferred taxation	15	(118,408)	(79,311)
<b>Net assets</b>		<u>4,101,189</u>	<u>3,318,768</u>
<b>Capital and reserves</b>			
Called up share capital	16	100	100
Profit and loss account	17	4,101,089	3,318,668
<b>Shareholders' funds</b>	19	<u>4,101,189</u>	<u>3,318,768</u>

Mr S M Dziubinski  
Director

Approved by the board and authorised for issue on 24 December 2015

**Rockstone Surfacing Limited**  
**Cash Flow Statement**  
**for the year ended 31 August 2015**

	Notes	2015 £	2014 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		1,193,947	678,528
Depreciation and amortisation		264,242	133,869
Decrease/(increase) in stocks		69,672	(68,472)
Decrease/(increase) in debtors		444,218	(833,549)
(Decrease)/increase in creditors		(274,512)	468,527
<b>Net cash inflow from operating activities</b>		<u>1,697,567</u>	<u>378,903</u>

**CASH FLOW STATEMENT**

<b>Net cash inflow from operating activities</b>		1,697,567	378,903
<b>Returns on investments and servicing of finance</b>	20	(10,829)	(9,747)
<b>Taxation</b>		(82,231)	(58,645)
<b>Capital expenditure</b>	20	<u>(370,208)</u>	<u>(689,810)</u>
		1,234,299	(379,299)
<b>Equity dividends paid</b>		<u>(153,600)</u>	<u>(153,600)</u>
		1,080,699	(532,899)
<b>Financing</b>	20	83,572	106,388
<b>Increase/(decrease) in cash</b>		<u>1,164,271</u>	<u>(426,511)</u>

**Reconciliation of net cash flow to movement in net debt**

Increase/(decrease) in cash in the period		1,164,271	(426,511)
Increase in debt and lease financing		(83,572)	(106,388)
<b>Change in net debt</b>	21	<u>1,080,699</u>	<u>(532,899)</u>
<b>Net funds at 1 September</b>		453,633	986,532
<b>Net funds at 31 August</b>		<u>1,534,332</u>	<u>453,633</u>

**Rockstone Surfacing Limited**  
**Notes to the Accounts**  
**for the year ended 31 August 2015**

**1 Accounting policies**

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

***Turnover***

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

***Depreciation***

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	1% straight line
Plant and machinery	20% straight line
Motor Vehicles	20% straight line
Office equipment	20% straight line

***Stocks***

Stock is valued at the lower of cost and net realisable value.

***Deferred taxation***

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

***Pensions***

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the

scheme.

<b>2 Analysis of turnover</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>

The turnover is attributable to the one principle activity of the company.

By geographical market:

UK	<u>10,680,509</u>	<u>8,967,416</u>
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<b>3 Operating profit</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>

This is stated after charging:

Depreciation of owned fixed assets	151,155	108,952
Depreciation of assets held under finance leases and hire purchase contracts	98,087	58,667
Amortisation of goodwill	15,000	6,250
Operating lease rentals - plant and machinery	461,938	497,881
Auditors' remuneration for audit services	<u>2,000</u>	<u>2,000</u>

<b>4 Directors' emoluments</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>

Emoluments	22,092	24,139
Company contributions to money purchase pension schemes	7,271	11,336
	<u>29,363</u>	<u>35,475</u>

<b>Number of directors in company pension schemes:</b>	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>

Money purchase schemes	<u>2</u>	<u>2</u>
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<b>5 Staff costs</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>

Wages and salaries	1,709,439	1,486,068
Social security costs	174,710	156,449
Other pension costs	8,286	11,336
	<u>1,892,435</u>	<u>1,653,853</u>

<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
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Site Staff	28	37
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Administration staff	9	6
Management staff	4	7
	<u>41</u>	<u>50</u>

<b>6 Interest payable</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>

Other loans	-	4,184
Finance charges payable under finance leases and hire purchase contracts	11,664	6,361
	<u>11,664</u>	<u>10,545</u>

<b>7 Taxation</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>

**Analysis of charge in period**

Current tax:

UK corporation tax on profits of the period	<u>208,000</u>	<u>86,057</u>
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Deferred tax:

Origination and reversal of timing differences	<u>39,097</u>	<u>63,730</u>
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Tax on profit on ordinary activities	<u>247,097</u>	<u>149,787</u>
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**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>1,183,118</u>	<u>668,781</u>

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK.

	20.57%	20.73%
	<b>£</b>	<b>£</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	243,367	138,638

Effects of:

Expenses not deductible for tax purposes	6,259	2,717
Capital allowances for period in excess of depreciation	(41,626)	(56,102)
Sundry tax adjusting items	-	804

Current tax charge for period	<u>208,000</u>	<u>86,057</u>
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**8 Intangible fixed assets****£**

Goodwill:

**Cost**

At 1 September 2014	300,000
At 31 August 2015	<u>300,000</u>

**Amortisation**

At 1 September 2014	6,250
Provided during the year	15,000
At 31 August 2015	<u>21,250</u>

**Net book value**

At 31 August 2015	<u>278,750</u>
At 31 August 2014	<u>293,750</u>

Goodwill is being written off in equal annual instalments over its estimated economic life of 20 years.

**9 Tangible fixed assets**

	Land and buildings £	Plant and Machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost</b>					
At 1 September 2014	309,151	1,446,889	835,762	142,346	2,734,148
Additions	-	210,400	209,808	-	420,208
Disposals	-	(46,000)	(405,234)	-	(451,234)
At 31 August 2015	<u>309,151</u>	<u>1,611,289</u>	<u>640,336</u>	<u>142,346</u>	<u>2,703,122</u>
<b>Depreciation</b>					
At 1 September 2014	130,350	1,055,852	645,945	138,882	1,971,029
Charge for the year	3,092	153,701	91,222	1,227	249,242
On disposals	-	(46,000)	(355,234)	-	(401,234)
At 31 August 2015	<u>133,442</u>	<u>1,163,553</u>	<u>381,933</u>	<u>140,109</u>	<u>1,819,037</u>
<b>Net book value</b>					
At 31 August 2015	<u>175,709</u>	<u>447,736</u>	<u>258,403</u>	<u>2,237</u>	<u>884,085</u>
At 31 August 2014	<u>178,801</u>	<u>391,037</u>	<u>189,817</u>	<u>3,464</u>	<u>763,119</u>

	2015 £	2014 £
Net book value of fixed assets included above held under finance leases and hire purchase contracts	<u>325,064</u>	<u>208,724</u>

**10 Stocks****2015****2014**

	£	£
Stock	2,500	3,700
Work in progress	-	68,472
	<u>2,500</u>	<u>72,172</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

<b>11 Debtors</b>	<b>2015</b>	<b>2014</b>
	£	£
Trade debtors	2,838,204	3,330,542
VAT recoverable	130,773	99,210
Other debtors	346,988	330,431
	<u>3,315,965</u>	<u>3,760,183</u>
Other debtors includes Directors current accounts	<u>275,914</u>	<u>263,812</u>

<b>12 Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	£	£
Obligations under finance lease and hire purchase contracts	155,429	81,892
Trade creditors	1,487,941	1,732,880
Corporation tax	211,025	85,256
Other taxes and social security costs	53,175	62,423
Other creditors	3,837	680
Accruals and deferred income	40,057	63,539
	<u>1,951,464</u>	<u>2,026,670</u>

<b>13 Creditors: amounts falling due after one year</b>	<b>2015</b>	<b>2014</b>
	£	£
Obligations under finance lease and hire purchase contracts	<u>120,574</u>	<u>110,539</u>

<b>14 Obligations under finance leases and hire purchase contracts</b>	<b>2015</b>	<b>2014</b>
	£	£
Amounts disclosed under creditors secured by the company and payable:		
Within one year	155,429	81,892
Within two to five years	120,574	110,539
	<u>276,003</u>	<u>192,431</u>

<b>15 Deferred taxation</b>	<b>2015</b>	<b>2014</b>
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			£	£
			118,408	79,311
Accelerated capital allowances			<u>118,408</u>	<u>79,311</u>
			<b>2015</b>	<b>2014</b>
			£	£
At 1 September			79,311	15,581
Deferred tax charge in profit and loss account			39,097	63,730
At 31 August			<u>118,408</u>	<u>79,311</u>
<b>16 Share capital</b>	<b>Nominal</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>value</b>	<b>Number</b>	<b>£</b>	<b>£</b>
Allotted, called up and fully paid:				
Ordinary shares	£1 each	100	<u>100</u>	<u>100</u>
<b>17 Profit and loss account</b>			<b>2015</b>	
			£	
At 1 September 2014			3,318,668	
Profit for the financial year			936,021	
Dividends			(153,600)	
At 31 August 2015			<u>4,101,089</u>	
<b>18 Dividends</b>			<b>2015</b>	<b>2014</b>
			£	£
Dividends for which the company became liable during the year:				
Dividends paid			<u>153,600</u>	<u>153,600</u>
<b>19 Reconciliation of movement in shareholders' funds</b>			<b>2015</b>	<b>2014</b>
			£	£
At 1 September			3,318,768	2,953,374
Profit for the financial year			936,021	518,994
Dividends			(153,600)	(153,600)
At 31 August			<u>4,101,189</u>	<u>3,318,768</u>



20 Gross cash flows	2015	2014
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	835	798
Interest paid	-	(6,361)
Interest element of finance lease rental payments	(11,664)	(4,184)
	<u>(10,829)</u>	<u>(9,747)</u>
<b>Capital expenditure</b>		
Payments to acquire intangible fixed assets	-	(300,000)
Payments to acquire tangible fixed assets	(420,208)	(429,810)
Receipts from sales of tangible fixed assets	50,000	40,000
	<u>(370,208)</u>	<u>(689,810)</u>
<b>Financing</b>		
Capital element of finance lease rental payments	<u>83,572</u>	<u>106,388</u>

## 21 Analysis of changes in net debt

	At 1 Sep 2014	Cash flows	Non-cash changes	At 31 Aug 2015
	£	£	£	£
Cash at bank and in hand	646,064	<u>1,164,271</u>		1,810,335
Finance leases	(192,431)	<u>(83,572)</u>		(276,003)
		<u></u>		
Total	<u>453,633</u>	<u>1,080,699</u>	<u>-</u>	<u>1,534,332</u>

## 22 Loans to directors

Description and conditions	B/fwd	Paid	Repaid	C/fwd
	£	£	£	£
Mr S M Dziubinski				
During the year a joint loan account existed between the directors, Mr S M Dziubinski and Mrs L J Dziubinski, and the company. Details are as follows (1/2 share):				
	131,906	6,051	-	137,957
Mrs L J Dziubinski				
During the year a joint loan account existed between the directors, Mr S M Dziubinski and Mrs L J Dziubinski, and the company. Details are as follows (1/2 share):				
	131,906	6,051	-	137,957
	<u>263,812</u>	<u>12,102</u>	<u>-</u>	<u>275,914</u>

23 Related party transactions	2015	2014
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£

£

**Mr S M Dziubinski**

Director

During the year the director received dividends amounting to £76,800 (£76,800 in 2014).

**Mrs L J Dziubinski**

Director

During the year the director received dividends amounting to £76,800 (£76,800 in 2014).

**24 Ultimate controlling party**

In the opinion of the directors, the company is controlled by Mr S M Dziubinski and Mrs L J Dziubinski, who each own 50% of the issued shares in the company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.