

Sterling Construction Works Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2021

Accountancy & Taxation Centre Ltd
Accountants and Business Advisors
14 Beagleswood Road
Pembury
Tunbridge Wells
Kent
TN2 4HX

Sterling Construction Works Ltd

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Sterling Construction Works Ltd

Company Information

| | |
|--------------------------|--|
| Directors | Mr Joe Booth Mr Gavin Tait |
| Registered office | Unit 1c, Brickmakers Industrial Estate Castle Road Sittingbourne Kent ME10 3RL |
| Accountants | Accountancy & Taxation Centre Ltd Accountants and Business Advisors 14 Beagleswood Road Pembury Tunbridge Wells Kent TN2 4HX |

**Accountants' Report to the Board of Directors on the Preparation of the Unaudited
Statutory Accounts of
Sterling Construction Works Ltd
for the Year Ended 31 March 2021**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Sterling Construction Works Ltd for the year ended 31 March 2021 as set out on pages 3 to 13 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Independent Certified Practising Accountants (ICPA) and the Association of Accounting Technicians Technicians (AAT), we are subject to its ethical and other professional requirements which are detailed at <http://www.icpa.org.uk> and aat.org.uk.

This report is made solely to the Board of Directors of Sterling Construction Works Ltd, as a body, in accordance with the terms of our engagement letter dated 25 April 2017. Our work has been undertaken solely to prepare for your approval the accounts of Sterling Construction Works Ltd and state those matters that we have agreed to state to the Board of Directors of Sterling Construction Works Ltd, as a body, in this report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sterling Construction Works Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Sterling Construction Works Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Sterling Construction Works Ltd. You consider that Sterling Construction Works Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Sterling Construction Works Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Accountancy & Taxation Centre Ltd
Accountants and Business Advisors
14 Beagleswood Road
Pembury
Tunbridge Wells
Kent
TN2 4HX

22 December 2021

Sterling Construction Works Ltd
(Registration number: 09748467)
Balance Sheet as at 31 March 2021

| | Note | 2021 £ | 2020 £ |
|--|----------|----------------|---------------|
| Fixed assets | | | |
| Tangible assets | <u>4</u> | 357,656 | 293,075 |
| Current assets | | | |
| Stocks | <u>5</u> | 82,419 | 74,168 |
| Debtors | <u>6</u> | 320,439 | 179,207 |
| Cash at bank and in hand | | 5,280 | 92,733 |
| | | 408,138 | 346,108 |
| Creditors: Amounts falling due within one year | <u>7</u> | (465,317) | (367,590) |
| Net current liabilities | | (57,179) | (21,482) |
| Total assets less current liabilities | | 300,477 | 271,593 |
| Creditors: Amounts falling due after more than one year | <u>7</u> | (173,254) | (178,939) |
| Net assets | | <u>127,223</u> | <u>92,654</u> |
| Capital and reserves | | | |
| Called up share capital | <u>8</u> | 3 | 3 |
| Profit and loss account | | 127,220 | 92,651 |
| Shareholders' funds | | <u>127,223</u> | <u>92,654</u> |

For the financial year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 22 December 2021 and signed on its behalf by:

Sterling Construction Works Ltd
(Registration number: 09748467)
Balance Sheet as at 31 March 2021

.....

Mr Joe Booth
Director

Sterling Construction Works Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

1 General information

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

The address of its registered office is:

Unit 1c, Brickmakers Industrial Estate
Castle Road
Sittingbourne
Kent
ME10 3RL

These financial statements were authorised for issue by the Board on 22 December 2021.

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 have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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 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.

Sterling Construction Works Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

Tangible assets

Tangible assets are stated in the balance sheet 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 |
|---------------------|-------------------------------------|
| Plant and machinery | 25% Straight line |
| Motor vehicles | 25% Reducing Balance |

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.

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

Sterling Construction Works Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

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.

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.

Sterling Construction Works Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

Defined benefit pension obligation

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 12 (2020 - 10).

Sterling Construction Works Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

4 Tangible assets

| | Land and buildings £ | Motor vehicles £ | Properties under construction £ | Other tangible assets £ | Total £ |
|--------------------------|-------------------------|---------------------|------------------------------------|----------------------------|------------|
| Cost or valuation | | | | | |
| At 1 April 2020 | 187,015 | 180,114 | - | 72,102 | 439,231 |
| Additions | - | 75,465 | 21,383 | 25,659 | 122,507 |
| At 31 March 2021 | 187,015 | 255,579 | 21,383 | 97,761 | 561,738 |
| Depreciation | | | | | |
| At 1 April 2020 | - | 87,205 | - | 58,951 | 146,156 |
| Charge for the year | - | 42,094 | - | 15,832 | 57,926 |
| At 31 March 2021 | - | 129,299 | - | 74,783 | 204,082 |
| Carrying amount | | | | | |
| At 31 March 2021 | 187,015 | 126,280 | 21,383 | 22,978 | 357,656 |
| At 31 March 2020 | 187,015 | 92,909 | - | 13,151 | 293,075 |

Included within the net book value of land and buildings above is £187,015 (2020 - £187,015) in respect of freehold land and buildings.

Sterling Construction Works Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

5 Stocks

| | 2021 | 2020 |
|------------------|---------------|---------------|
| | £ | £ |
| Work in progress | <u>82,419</u> | <u>74,168</u> |

6 Debtors

| | 2021 | 2020 |
|---------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 259,278 | 127,574 |
| Prepayments | - | 10,043 |
| Other debtors | <u>61,161</u> | <u>41,590</u> |
| | <u>320,439</u> | <u>179,207</u> |

Sterling Construction Works Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

7 Creditors

Creditors: amounts falling due within one year

| | Note | 2021 £ | 2020 £ |
|------------------------------|----------|----------------|----------------|
| Due within one year | | | |
| Loans and borrowings | <u>9</u> | 23,234 | 18,765 |
| Trade creditors | | 105,336 | 82,066 |
| Taxation and social security | | 292,334 | 157,779 |
| Accruals and deferred income | | 2,403 | 2,344 |
| Other creditors | | 42,010 | 106,636 |
| | | <u>465,317</u> | <u>367,590</u> |

Creditors: amounts falling due after more than one year

| | Note | 2021 £ | 2020 £ |
|---------------------------|----------|----------------|----------------|
| Due after one year | | | |
| Loans and borrowings | <u>9</u> | <u>173,254</u> | <u>178,939</u> |

8 Share capital

Allotted, called up and fully paid shares

| | 2021 No. | £ | 2020 No. | £ |
|------------------------------|-------------|----------|-------------|----------|
| Ordinary Shares of £1 each | 2 | 2 | 2 | 2 |
| B Ordinary Shares of £1 each | 1 | 1 | 1 | 1 |
| | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> |

9 Loans and borrowings

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Non-current loans and borrowings | | |
| Bank borrowings | 138,392 | 155,917 |
| Finance lease liabilities | 34,862 | 23,022 |
| | <u>173,254</u> | <u>178,939</u> |

Sterling Construction Works Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

| | 2021 £ | 2020 £ |
|-------------------------------------|---------------|---------------|
| Current loans and borrowings | | |
| Bank borrowings | 10,714 | 11,204 |
| Bank overdrafts | 5 | - |
| Finance lease liabilities | 12,515 | 7,561 |
| | <u>23,234</u> | <u>18,765</u> |

10 Dividends

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| | | |

11 Related party transactions

Transactions with directors

| | At 1 April 2020 £ | Advances to directors £ | Repayments by director £ | At 31 March 2021 £ |
|--|-------------------------|-------------------------------|--------------------------------|--------------------------|
| 2021 | | | | |
| Mr Gavin Tait | | | | |
| Within other creditors is an amount owed by the director, repayable on demand. Interest charged on debit balances, if they exceed £10k at any point during the year. | (14,575) | 203,763 | (188,462) | 726 |

Mr Joe Booth

Within other creditors is an amount owed by the director, repayable on demand. Interest charged on debit balances exceeding £10k at any point during the year.

| | | | |
|----------|---------|-----------|----|
| (57,029) | 178,612 | (121,546) | 37 |
|----------|---------|-----------|----|

Sterling Construction Works Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

| | At 1 April 2019 £ | Repayments by director £ | At 31 March 2020 £ |
|--|-------------------------|--------------------------------|--------------------------|
| 2020 | | | |
| Mr Gavin Tait | | | |
| Within other creditors is an amount owed by the director, repayable on demand. Interest charged on debit balances, if they exceed £10k at any point during the year. | - | (14,575) | (14,575) |
| | | | |
| Mr Joe Booth | | | |
| Within other creditors is an amount owed by the director, repayable on demand. Interest charged on debit balances exceeding £10k at any point during the year. | - | (57,029) | (57,029) |
| | | | |

Directors' remuneration

The directors' remuneration for the year was as follows:

| | 2021 £ | 2020 £ |
|--------------|-----------|-----------|
| Remuneration | 19,425 | 21,120 |

Summary of transactions with other related parties

Sterling Inked Ltd

Loan to the company, repayable over 100 months starting in July 20, with interest payable of £5,000

Loans to related parties

| | Other related parties £ | Total £ |
|-----------------------|-------------------------------|------------|
| 2021 | | |
| Advanced | 30,000 | 30,000 |
| Interest transactions | 450 | 450 |
| At end of period | 30,450 | 30,450 |

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.