

# Dixons Contractors Limited

Directors' Report and Abbreviated Accounts

for the Year Ended 31 March 2009

D T Carson & Co  
Chartered Accountants & Registered Auditors  
51 - 53 Thomas Street  
Ballymena  
Co Antrim  
BT43 6AZ

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## **Dixons Contractors Limited**

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**Dixons Contractors Limited**  
**Company Information**

**Directors**            Mr Daniel Dixon  
                              Mr Daniel Dixon Jnr  
                              Mrs Geraldine Dixon

**Secretary**            Mrs Geraldine Dixon

**Registered office**    51-53 Thomas Street  
                              Ballymena  
                              Co Antrim  
                              BT43 6AZ

**Solicitors**            McKervill Nerlly  
                              1 Broadway Avenue  
                              Ballymena  
                              Co Antrim  
                              BT43 7AA

**Bank**                  Bank of Ireland  
                              Ballymoney  
                              High Street  
                              Ballymoney  
                              Co Antrim  
                              BT53 4AG

**Auditors**            D T Carson & Co  
                              Chartered Accountants & Registered Auditors  
                              51 - 53 Thomas Street  
                              Ballymena  
                              Co Antrim  
                              BT43 6AZ

**Dixons Contractors Limited**  
**Directors' Report for the Year Ended 31 March 2009**

The directors present their report and the audited financial statements for the year ended 31 March 2009

**Principal activity**

The principal activity of the company is that of a building contractor

**Business review**

*Development and performance of the business*

	2009	2008	2007
Turnover	£13,057,212	£10,581,358	£7,443,345
Turnover growth	23%	42%	
Gross profit margin	8%	7%	9%
Profit before tax	£141,410	£30,793	£10,007

*Position of the business*

At the end of the year, the net assets totalled £331,902

**Financial risk**

*Price risk, credit risk, liquidity risk and cash flow risk*

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors, loans to the business and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans comprise loans from the directors and from financial institutions. The interest rate on loans from financial institutions is variable, but the monthly repayments are fixed. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the payments.

**Results and dividend**

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend.

**Dixons Contractors Limited**  
**Directors' Report for the Year Ended 31 March 2009**

*continued*

**Directors**

The directors who held office during the year were as follows

- Mr Daniel Dixon
- Mr Daniel Dixon Jnr
- Mrs Geraldine Dixon

Approved by the Board and signed on its behalf by



Mr Daniel Dixon Jnr  
Director

Date

25/1/10

**Independent Auditors' Report to  
Dixons Contractors Limited  
Under Article 255B of the Companies (Northern Ireland) Order 1986**

We have examined the abbreviated accounts of Dixons Contractors Limited, set out on pages 5 to 19, together with the financial statements of the company for the year ended 31 March 2009 prepared under Article 234 of the Companies (Northern Ireland) Order 1986

This report is made solely to the company, in accordance with Article 255B of the Companies (Northern Ireland) Order 1986. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with 254A of the Companies (Northern Ireland) Order 1986. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with 254A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Article 254A(3) of the Companies (Northern Ireland) Order 1986, and the abbreviated accounts on pages 5 to 19 are properly prepared in accordance with those provisions



D T Carson & Co  
Chartered Accountants & Registered Auditors

Date 23-1-2010

51 - 53 Thomas Street  
Ballymena  
Co Antrim  
BT43 6AZ

**Dixons Contractors Limited**  
**Abbreviated Profit and Loss Account for the Year Ended 31 March 2009**

	Note	2009 £	2008 £
<b>Gross profit</b>		1,008,909	740,359
Administrative expenses		(790,589)	(653,790)
<b>Operating profit</b>	3	<u>218,320</u>	<u>86,569</u>
Other interest receivable and similar income		20	42
Interest payable and similar charges	6	(76,930)	(55,818)
<b>Profit on ordinary activities before taxation</b>		<u>141,410</u>	<u>30,793</u>
Tax on profit on ordinary activities	7	(46,964)	(21,665)
<b>Profit for the financial year</b>	16	<u>94,446</u>	<u>9,128</u>
<b>Profit and loss reserve brought forward</b>		227,456	218,328
<b>Profit and loss reserve carried forward</b>		<u><u>321,902</u></u>	<u><u>227,456</u></u>

Turnover and operating profit derive wholly from continuing operations

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

The notes on pages 8 to 19 form an integral part of these financial statements

**Dixons Contractors Limited**  
**Abbreviated Balance Sheet as at 31 March 2009**

		2009	2008
	Note	£	£
<b>Fixed assets</b>			
Intangible assets	8	360,000	420,000
Tangible assets	9	444,110	397,798
Investments	10	<u>38,577</u>	<u>46,380</u>
		842,687	864,178
<b>Current assets</b>			
Stocks	11	1,477,772	1,705,313
Debtors	12	1,409,778	285,225
Cash at bank and in hand		<u>237</u>	<u>208</u>
		2,887,787	1,990,746
<b>Creditors: Amounts falling due within one year</b>	13	<u>(3,162,376)</u>	<u>(2,447,733)</u>
<b>Net current liabilities</b>		<u>(274,589)</u>	<u>(456,987)</u>
<b>Total assets less current liabilities</b>		568,098	407,191
<b>Creditors: Amounts falling due after more than one year</b>	14	<u>(236,196)</u>	<u>(169,735)</u>
<b>Net assets</b>		<u><u>331,902</u></u>	<u><u>237,456</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	10,000	10,000
Profit and loss reserve	16	<u>321,902</u>	<u>227,456</u>
<b>Shareholders' funds</b>	17	<u><u>331,902</u></u>	<u><u>237,456</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VIII of the Companies (Northern Ireland) order 1986 relating to medium-sized companies

Approved by the Board on 25/11/10 and signed on its behalf by



Mr Daniel Dixon  
Director



Mr Daniel Dixon Jnr  
Director

The notes on pages 8 to 19 form an integral part of these financial statements



# Dixons Contractors Limited

## Cash Flow Statement for the Year Ended 31 March 2009

		2009	2008
	Note	£	£
Net cash flow from operating activities	19	(172,056)	(13,894)
Returns on investment and servicing of finance	20	(76,910)	(55,776)
Taxation	20	(35,980)	(1)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(30,653)	(65,236)
Sale of tangible fixed assets		26,457	17,041
		<u>(4,196)</u>	<u>(48,195)</u>
<b>Cash outflow before management of liquid resources and financing</b>		(289,142)	(117,866)
<b>Financing</b>			
Increase in loans and borrowings		500,000	-
Repayment of loans and borrowings		(25,030)	-
Capital element of finance lease/HP contract rental payments		(98,164)	(91,577)
		<u>376,806</u>	<u>(91,577)</u>
<b>Increase/(decrease) in cash</b>		<u>87,664</u>	<u>(209,443)</u>

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

		2009	2008
	Note	£	£
Increase/(decrease) in cash in the year	21	87,664	(209,443)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(376,806)</u>	<u>91,577</u>
Change in net funds resulting from cash flows		(289,142)	(117,866)
New hire purchase agreements		<u>(182,820)</u>	<u>(94,000)</u>
Movement in net debt in the year		(471,962)	(211,866)
Net debt at the start of the year	21	<u>(1,025,044)</u>	<u>(813,178)</u>
<b>Net debt at the end of the year</b>	21	<u><u>(1,497,006)</u></u>	<u><u>(1,025,044)</u></u>

The notes on pages 8 to 19 form an integral part of these financial statements

## **Dixons Contractors Limited**

### **Notes to the abbreviated accounts for the Year Ended 31 March 2009**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention

##### **Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

##### **Goodwill**

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

##### **Amortisation**

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

Goodwill	Over 10 years
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##### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Plant and machinery	25% reducing balance
Office equipment	25% reducing balance
Motor vehicles	25% reducing balance

##### **Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value

##### **Work in progress**

Work in progress is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

## **Dixons Contractors Limited**

### **Notes to the abbreviated accounts for the Year Ended 31 March 2009**

*continued*

#### **Hire purchase and finance lease contracts**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation 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.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

#### **Operating leases**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### **Financial instruments**

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.

## **2 Other operating income**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Other income	<u>(7,823)</u>	<u>(8,382)</u>

## **3 Operating profit**

Operating profit is stated after charging

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Hire of other assets - operating leases	57,000	37,323
The audit of the company's annual accounts	7,700	7,300
Loss on disposal of tangible fixed assets	471	688
Depreciation of owned assets	148,036	132,600
Amortisation	<u>60,000</u>	<u>60,000</u>

## Dixons Contractors Limited

### Notes to the abbreviated accounts for the Year Ended 31 March 2009

*continued*

#### 4 Particulars of employees

The average number of persons employed by the company (including directors) during the year was as follows.

	2009 No.	2008 No.
Administration	<u>50</u>	<u>64</u>

The aggregate payroll costs of these persons were as follows

	2009 £	2008 £
Wages and salaries	1,272,096	1,226,921
Social security costs	99,433	93,607
Other pension costs	1,000	-
	<u>1,372,529</u>	<u>1,320,528</u>

#### 5 Directors' emoluments

The directors' emoluments for the year are as follows

	2009 £	2008 £
Directors' remuneration (including benefits in kind)	14,664	14,664
Directors' money purchase schemes	1,000	-
	<u>15,664</u>	<u>14,664</u>

#### 6 Interest payable and similar charges

	2009 £	2008 £
Interest on bank borrowings	58,168	40,571
Other interest payable	310	-
Finance charges	18,452	15,247
	<u>76,930</u>	<u>55,818</u>

# **Dixons Contractors Limited**

## **Notes to the abbreviated accounts for the Year Ended 31 March 2009**

*continued*

### **7 Taxation**

#### **Analysis of current period tax charge**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Corporation tax charge	<u>46,964</u>	<u>21,665</u>

#### **Factors affecting current period tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than (2008 - higher than) the standard rate of corporation tax in the UK of 21.00% (2008 - 20.00%)

The differences are reconciled below

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>141,410</u>	<u>30,793</u>
Standard rate corporation tax charge	29,696	6,159
Expenses not deductible for tax purposes (including goods)	43,786	38,657
Accelerated capital allowances	<u>(26,518)</u>	<u>(23,151)</u>
Total current tax for the year	<u>46,964</u>	<u>21,665</u>

## **Dixons Contractors Limited**

### **Notes to the abbreviated accounts for the Year Ended 31 March 2009**

*continued*

#### **8 Intangible fixed assets**

	<b>Goodwill £</b>
<b>Cost</b>	
As at 1 April 2008 and 31 March 2009	<u>600,000</u>
<b>Amortisation</b>	
As at 1 April 2008	180,000
Charge for the year	<u>60,000</u>
As at 31 March 2009	<u>240,000</u>
<b>Net book value</b>	
As at 31 March 2009	<u><u>360,000</u></u>
As at 31 March 2008	<u><u>420,000</u></u>

# Dixons Contractors Limited

## Notes to the abbreviated accounts for the Year Ended 31 March 2009

*continued*

### 9 Tangible fixed assets

	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
<b>Cost</b>				
As at 1 April 2008	577,184	-	166,690	743,874
Additions	82,700	1,985	128,788	213,473
Disposals	-	-	(34,000)	(34,000)
As at 31 March 2009	<u>659,884</u>	<u>1,985</u>	<u>261,478</u>	<u>923,347</u>
<b>Depreciation</b>				
As at 1 April 2008	261,116	-	84,960	346,076
Eliminated on disposals	-	-	(14,875)	(14,875)
Charge for the year	99,692	496	47,848	148,036
As at 31 March 2009	<u>360,808</u>	<u>496</u>	<u>117,933</u>	<u>479,237</u>
<b>Net book value</b>				
As at 31 March 2009	<u>299,076</u>	<u>1,489</u>	<u>143,545</u>	<u>444,110</u>
As at 31 March 2008	<u>316,068</u>	<u>-</u>	<u>81,730</u>	<u>397,798</u>

#### Hire purchase agreements

Included within the total net book value of tangible fixed assets is £321,067 (2008 - £236,765) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £103,053 (2008 - £74,953).

### 10 Investments held as fixed assets

	Other investments £
<b>Cost</b>	
As at 1 April 2008	100,000
Revaluation	(61,423)
As at 31 March 2009	<u>38,577</u>
<b>Net book value</b>	
As at 31 March 2009	<u>38,577</u>
As at 31 March 2008	<u>100,000</u>

**Dixons Contractors Limited**

**Notes to the abbreviated accounts for the Year Ended 31 March 2009**

*continued*

**11 Stocks and work in progress**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Work in progress	<u>1,477,772</u>	<u>1,705,313</u>

**12 Debtors**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,379,778	184,920
Other debtors	30,000	87,610
Prepayments and accrued income	-	12,695
	<u>1,409,778</u>	<u>285,225</u>



## Dixons Contractors Limited

### Notes to the abbreviated accounts for the Year Ended 31 March 2009

*continued*

#### 13 Creditors Amounts falling due within one year

	2009	2008
	£	£
Bank loans and overdrafts	1,172,433	785,098
Obligations under finance leases and hire purchase contracts	88,614	70,419
Payments received on account	-	1,905
Trade creditors	1,259,203	753,887
Corporation tax	46,964	35,980
Taxation and social security	118,282	39,264
Other creditors	11,448	10,765
Director current accounts	442,312	729,499
Accruals and deferred income	23,120	20,916
	<u>3,162,376</u>	<u>2,447,733</u>

Creditors amounts falling due within one year includes the following liabilities on which security has been given by the company

	2009	2008
	£	£
Bank loans and overdrafts	<u>1,172,433</u>	<u>785,096</u>

The bank loans and overdrafts are secured by

(1) letter of guarantee from D, G & DJ Dixon in sum of £2million

(2) letter of guarantee from P Dixon in sum of £410,000

countercovered by

(a) 1st legal charge of 11 houses in Portrush

(b) 1st legal charge 165-169 Tullaghans Road

(c) 1st legal charge 4 Station Road

(d) 1st legal charge 6-8 Bellagh Road

(e) 1st legal charge Bridge Road & adjacent ground

# **Dixons Contractors Limited**

## **Notes to the abbreviated accounts for the Year Ended 31 March 2009**

*continued*

### **14 Creditors: Amounts falling due after more than one year**

	2009 £	2008 £
Obligations under finance leases and hire purchase contracts	<u>236,196</u>	<u>169,735</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company

	2009 £	2008 £
Hire purchase	<u>236,195</u>	<u>169,735</u>

Included in the creditors are the following amounts due after more than five years

	2009 £	2008 £
<b>After more than five years by instalments</b>		
HP & finance lease liability	<u>-</u>	<u>2,792</u>
	<u>-</u>	<u>2,792</u>

### **15 Share capital**

	2009 £	2008 £
<b>Authorised</b>		
<b>Equity</b>		
500,000 Ordinary shares shares of £1 each	<u>500,000</u>	<u>500,000</u>
<b>Allotted, called up and fully paid</b>		
<b>Equity</b>		
10,000 Ordinary shares shares of £1 each	<u>10,000</u>	<u>10,000</u>

# Dixons Contractors Limited

## Notes to the abbreviated accounts for the Year Ended 31 March 2009

*continued*

### 16 Reserves

	Profit and loss reserve
	£
Balance at 1 April 2008	227,456
Transfer from profit and loss account for the year	94,446
Balance at 31 March 2009	<u>321,902</u>

### 17 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit attributable to members of the company	94,446	9,128
Opening shareholders' funds	<u>237,456</u>	<u>228,328</u>
Closing shareholders' funds	<u>331,902</u>	<u>237,456</u>

### 18 Operating lease commitments

As at 31 March 2009 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	Other	
	2009 £	2008 £
Within two and five years	<u>6,166</u>	<u>6,166</u>

# Dixons Contractors Limited

## Notes to the abbreviated accounts for the Year Ended 31 March 2009

*continued*

### 19 Reconciliation of operating profit to operating cash flows

	2009	2008
	£	£
Operating profit	218,320	86,569
Depreciation, amortisation and impairment charges	208,036	192,600
Loss on disposal of fixed assets	471	688
Decrease/(increase) in stocks	227,541	(322,422)
(Increase)/decrease in debtors	(1,144,553)	151,140
Increase/(decrease) in creditors	318,129	(122,469)
Net cash outflow from operating activities	<u>(172,056)</u>	<u>(13,894)</u>

### 20 Analysis of cash flows

	2009	2008
	£	£
<b>Returns on investment and servicing of finance</b>		
HP interest paid	(18,452)	(15,247)
Other interest paid	(58,478)	(40,571)
Interest received	20	42
	<u>(76,910)</u>	<u>(55,776)</u>
<b>Taxation</b>		
Taxation paid	<u>(35,980)</u>	<u>(1)</u>

### 21 Analysis of net debt

	At start of period	Cash flow	Other non-cash changes	At end of period
	£	£	£	£
Cash at bank and in hand	208	29	-	237
Bank overdraft	(785,098)	87,635	-	(697,463)
Cash and bank net funds	<u>(784,890)</u>	<u>87,664</u>	<u>-</u>	<u>(697,226)</u>
Debt due within one year	-	-	(474,970)	(474,970)
Debt due after one year	-	(474,970)	474,970	-
Finance leases and hire purchase contracts	(240,154)	98,164	(182,820)	(324,810)
Change in debt	<u>(240,154)</u>	<u>(376,806)</u>	<u>(182,820)</u>	<u>(799,780)</u>

## Dixons Contractors Limited

### Notes to the abbreviated accounts for the Year Ended 31 March 2009

*continued*

Net debt	<u>(1,025,044)</u>	<u>(289,142)</u>	<u>(182,820)</u>	<u>(1,497,006)</u>
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#### 22 Related parties

##### Controlling entity

The ultimate controlling party is the Dixon family who own 100% of the issued share capital

##### Related party transactions

During the year the company paid £24,000 to Messrs Dixon for rent of premises used by the company but jointly owned by Mr D Dixon Jnr, Mr D Dixon Snr and Mrs G Dixon, the rent being at normal commercial rate