

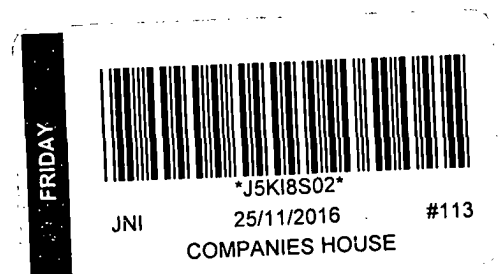
Registration number: NI050218

# Dixons Contractors Ltd

Annual Report and Financial Statements

for the Year Ended 31 March 2016

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



# **Dixons Contractors Ltd**

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## **Dixons Contractors Ltd**

### **Company Information**

<b>Directors</b>	Mr Daniel Dixon Mrs Geraldine Dixon Mrs Julie O'Hagan Mr Daniel Dixon Jnr Mr Declan McKendry
<b>Company secretary</b>	Mrs Geraldine Dixon
<b>Registered office</b>	143 Tullaghans Road Dunloy Ballymena Co Antrim BT44 9EA
<b>Solicitors</b>	McKervill Neilly 1-2 Broadway Avenue Ballymena Co Antrim BT43 7AA
<b>Bankers</b>	Bank of Ireland 1 Donegall Square South Belfast Antrim BT1 5LR
<b>Auditors</b>	D T Carson & Co Chartered Accountants & Registered Auditors 51-53 Thomas Street Ballymena Co Antrim BT43 6AZ

## Dixons Contractors Ltd

### Strategic Report for the Year Ended 31 March 2016

The Directors present their strategic report for the year ended 31 March 2016.

#### Principal activity

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

#### Fair review of the business

The results for the year show a profit on ordinary activities before tax of £362,441 (2015: £418,252) on turnover of £22,912,290 (2015: £12,365,841). The directors are satisfied with the underlying performance of the company which shows operating profit of £376,104 (2015: £453,879). The company will continue to seek every opportunity to increase its profitable turnover.

Dividends totalling £75,000 were paid during the year (2015: £75,000).

#### Key performance indicators

The Company's key financial and other performance indicators during the year were as follows:

	Unit	2016	2015
Turnover	£	22,912,290	12,365,841
Turnover growth	%	85	2
Gross profit margin	%	9	15
Profit on ordinary activities before tax	£	362,441	418,252
Total equity	£	1,438,122	1,220,378
Employee numbers		77	55

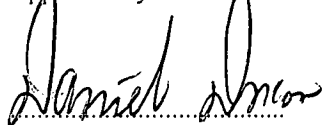
#### Future developments

Whilst market conditions remain highly competitive, the directors are encouraged by the level of post year end contracts and anticipate a further significant increase in turnover. The company aims to strengthen their presence in sectors they already work in and selectively target new sectors, the company will develop into profitable divisions expanding into other geographical areas.

#### Principal risks and uncertainties

As recovery in the construction sector continues, the directors are of the opinion performance in the sector is affected by availability of contracts, competitor activity, variable labour costs and specific sectoral factors. The management carry out regular reviews of contracts on a monthly basis.

Approved by the Board on 11 November 2016 and signed on its behalf by:



Mr Daniel Dixon Jnr  
Director

## **Dixons Contractors Ltd**

### **Directors' Report for the Year Ended 31 March 2016**

The Directors present their report and the financial statements for the year ended 31 March 2016.

#### **Directors of the Company**

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

Mr Daniel Dixon

Mrs Geraldine Dixon - Company secretary and director

Mrs Julie O'Hagan

Mr Daniel Dixon Jnr

Mr Declan McKendry

#### **Dividends**

An interim dividend of £75,000 was paid during the year, the directors do not recommend a final dividend payment to be made in respect of the financial year ended 31 March 2016.

#### **Financial instruments**

##### ***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.

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.

## **Dixons Contractors Ltd**

### **Directors' Report for the Year Ended 31 March 2016**

#### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

## **Dixons Contractors Ltd**

### **Directors' Report for the Year Ended 31 March 2016**


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

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

#### **Reappointment of auditors**

The auditors D T Carson & Co are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 11 November 2016 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Daniel Dixon', written over a dotted line.

Mr Daniel Dixon Jnr  
Director

## **Dixons Contractors Ltd**

### **Independent Auditor's Report to the Members of Dixons Contractors Ltd**

We have audited the financial statements of Dixons Contractors Ltd for the year ended 31 March 2016, set out on pages 8 to 26. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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.



## **Dixons Contractors Ltd**

### **Independent Auditor's Report to the Members of Dixons Contractors Ltd**

#### **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.



James Wallace (Senior Statutory Auditor)

For and on behalf of D T Carson & Co, Statutory Auditor

51-53 Thomas Street  
Ballymena  
Co Antrim  
BT43 6AZ

11 November 2016

# **Dixons Contractors Ltd**

## **Profit and Loss Account for the Year Ended 31 March 2016**

	Note	2016 £	2015 £
Turnover	3	22,912,290	12,365,841
Cost of sales		<u>(20,898,362)</u>	<u>(10,491,277)</u>
Gross profit		2,013,928	1,874,564
Administrative expenses		<u>(1,637,824)</u>	<u>(1,420,685)</u>
Operating profit	5	<u>376,104</u>	<u>453,879</u>
Other interest receivable and similar income	6	40	45
Amounts written off investments		-	(15,720)
Interest payable and similar charges	7	<u>(13,703)</u>	<u>(19,952)</u>
		<u>(13,663)</u>	<u>(35,627)</u>
Profit before tax		362,441	418,252
Taxation	11	<u>(69,697)</u>	<u>(77,217)</u>
Profit for the financial year		<u><u>292,744</u></u>	<u><u>341,035</u></u>

The above results were derived from continuing operations.

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

## **Dixons Contractors Ltd**

### **Statement of Comprehensive Income for the Year Ended 31 March 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
Profit for the year		<u>292,744</u>	<u>341,035</u>
Total comprehensive income for the year		<u><u>292,744</u></u>	<u><u>341,035</u></u>

# Dixons Contractors Ltd

(Registration number: NI050218)  
Balance Sheet as at 31 March 2016

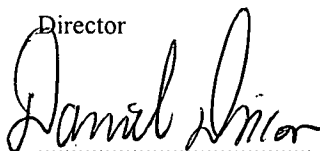
	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	12	137,136	171,428
Tangible assets	13	633,371	419,876
Other financial assets	14	34,280	34,280
		<u>804,787</u>	<u>625,584</u>
<b>Current assets</b>			
Stocks	15	3,236,887	2,884,211
Debtors	16	1,542,739	1,724,839
Cash at bank and in hand		178,462	15,452
		<u>4,958,088</u>	<u>4,624,502</u>
<b>Creditors: Amounts falling due within one year</b>	18	<u>(4,067,805)</u>	<u>(3,846,667)</u>
<b>Net current assets</b>		<u>890,283</u>	<u>777,835</u>
<b>Total assets less current liabilities</b>		1,695,070	1,403,419
<b>Creditors: Amounts falling due after more than one year</b>	18	(147,024)	(102,628)
<b>Provisions for liabilities</b>	19	<u>(109,924)</u>	<u>(80,413)</u>
<b>Net assets</b>		<u>1,438,122</u>	<u>1,220,378</u>
<b>Capital and reserves</b>			
Called up share capital	21	10,000	10,000
Profit and loss account		<u>1,428,122</u>	<u>1,210,378</u>
<b>Total equity</b>		<u>1,438,122</u>	<u>1,220,378</u>

Approved and authorised by the Board on 11 November 2016 and signed on its behalf by:



Mr Daniel Dixon

Director



Mr Daniel Dixon Jnr

Director

The notes on pages 13 to 26 form an integral part of these financial statements.

# Dixons Contractors Ltd

## Statement of Changes in Equity for the Year Ended 31 March 2016

	Share capital £	Profit and loss account £	Total £
At 1 April 2015	10,000	1,210,378	1,220,378
Profit for the year	-	292,744	292,744
Total comprehensive income	-	292,744	292,744
Dividends	-	(75,000)	(75,000)
At 31 March 2016	10,000	1,428,122	1,438,122
	Share capital £	Profit and loss account £	Total £
At 1 April 2014	10,000	944,343	954,343
Profit for the year	-	341,035	341,035
Total comprehensive income	-	341,035	341,035
Dividends	-	(75,000)	(75,000)
At 31 March 2015	10,000	1,210,378	1,220,378

# Dixons Contractors Ltd

## Statement of Cash Flows for the Year Ended 31 March 2016

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Profit for the year		292,744	341,035
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	185,936	105,208
(Profit)/loss on disposal of tangible assets	4	(1,353)	5,669
Finance income	6	(40)	(45)
Finance costs	7	13,703	35,672
Income tax expense	11	69,697	77,217
		<u>560,687</u>	<u>564,756</u>
Working capital adjustments			
Increase in stocks	15	(352,676)	(825,933)
Decrease/(increase) in trade debtors	16	182,100	(555,294)
Increase in trade creditors	18	151,504	1,858,461
Cash generated from operations		541,615	1,041,990
Income taxes paid	11	(53,445)	(134,551)
Net cash flow from operating activities		<u>488,170</u>	<u>907,439</u>
<b>Cash flows from investing activities</b>			
Interest received	6	40	45
Acquisitions of tangible assets		(161,386)	(169,126)
Proceeds from sale of tangible assets		10,635	1,201
Net cash flows from investing activities		<u>(150,711)</u>	<u>(167,880)</u>
<b>Cash flows from financing activities</b>			
Interest paid	7	(6,416)	(15,138)
Proceeds from bank borrowing draw downs		103,247	-
Repayment of bank borrowing		(67,691)	(66,031)
Proceeds from other borrowing draw downs		-	8,484
Repayment of other borrowing		(47,160)	-
Payments to finance lease creditors		(81,429)	(39,779)
Dividends paid	24	(75,000)	(75,000)
Net cash flows from financing activities		<u>(174,449)</u>	<u>(187,464)</u>
Net increase in cash and cash equivalents		163,010	552,095
Cash and cash equivalents at 1 April		15,452	(536,643)
Cash and cash equivalents at 31 March		<u>178,462</u>	<u>15,452</u>

The notes on pages 13 to 26 form an integral part of these financial statements.

## **Dixons Contractors Ltd**

### **Notes to the Financial Statements for the Year Ended 31 March 2016**

#### **1 General information**

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

The address of its registered office is:

143 Tullaghans Road

Dunloy

Ballymena

Co Antrim

BT44 9EA

These financial statements were authorised for issue by the Board on 11 November 2016.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

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

##### **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.

##### **Changes in accounting estimate**

##### ***Goodwill***

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life, in prior years the estimated useful life was 20 years, this has been reassessed in the current year as 5 years.

##### **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 and after eliminating sales within the company.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

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

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

##### **Tax**

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

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

## **Dixons Contractors Ltd**

### **Notes to the Financial Statements for the Year Ended 31 March 2016**

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

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

#### **Tangible assets**

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

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

#### **Depreciation**

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	25% reducing balance basis
Motor vehicles	25% reducing balance basis
Office equipment	25% reducing balance basis

#### **Goodwill**

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### **Amortisation**

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

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	Over 5 years

#### **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.



## **Dixons Contractors Ltd**

### **Notes to the Financial Statements for the Year Ended 31 March 2016**

#### **Stocks**

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

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

#### **Trade creditors**

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

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

#### **Borrowings**

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

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

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

#### **Leases**

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

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

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

#### **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.

## Dixons Contractors Ltd

### Notes to the Financial Statements for the Year Ended 31 March 2016

#### 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.

#### 3 Revenue

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

	2016 £	2015 £
Sale of goods	<u>22,912,290</u>	<u>12,365,841</u>

The amount of contract revenue recognised as revenue in the year was £22,912,290 (2015 - £12,365,841).

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised in proportion to the stage of completion of contract activity. An expected loss on a construction contract is recognised as an expense as soon as such loss is probable.

#### 4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2016 £	2015 £
Gain (loss) on disposal of property, plant and equipment	<u>1,353</u>	<u>(5,669)</u>

#### 5 Operating profit

Arrived at after charging/(crediting)

	2016 £	2015 £
Depreciation expense	151,644	88,065
Amortisation expense	34,292	17,143
(Profit)/loss on disposal of property, plant and equipment	<u>(1,353)</u>	<u>5,669</u>

#### 6 Other interest receivable and similar income

	2016 £	2015 £
Other finance income	<u>40</u>	<u>45</u>

# Dixons Contractors Ltd

## Notes to the Financial Statements for the Year Ended 31 March 2016

### 7 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and borrowings	6,416	15,138
Interest on obligations under finance leases and hire purchase contracts	7,287	4,814
	<u>13,703</u>	<u>19,952</u>

### 8 Staff costs

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

	2016 £	2015 £
Wages and salaries	1,948,086	1,319,350
Social security costs	188,324	128,261
Pension costs, defined contribution scheme	75,526	56,738
Other employee expense	20,076	65,944
	<u>2,232,012</u>	<u>1,570,293</u>

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

	2016 No.	2015 No.
Administration and support	<u>77</u>	<u>55</u>

### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration	131,741	123,632
Contributions paid to money purchase schemes	15,588	15,879
	<u>147,329</u>	<u>139,511</u>

### 10 Auditors' remuneration

	2016 £	2015 £
Audit of the financial statements	<u>6,500</u>	<u>6,000</u>

## Dixons Contractors Ltd

### Notes to the Financial Statements for the Year Ended 31 March 2016

#### 11 Taxation

Tax charged/(credited) in the income statement

	2016 £	2015 £
<b>Current taxation</b>		
UK corporation tax	40,186	53,443
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>29,511</u>	<u>23,774</u>
Tax expense in the income statement	<u><u>69,697</u></u>	<u><u>77,217</u></u>

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

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>362,441</u>	<u>418,252</u>
Corporation tax at standard rate	72,488	83,650
Effect of expense not deductible in determining taxable profit (tax loss)	349	27,092
UK deferred tax expense (credit) relating to changes in tax rates or laws	29,511	23,774
Tax increase (decrease) from effect of capital allowances and depreciation	<u>(32,651)</u>	<u>(57,299)</u>
Total tax charge	<u><u>69,697</u></u>	<u><u>77,217</u></u>

#### Deferred tax

Deferred tax assets and liabilities

	Liability £
<b>2016</b>	
Accelerated tax depreciation	<u>29,511</u>
<b>2015</b>	
Accelerated tax depreciation	<u><u>60,413</u></u>

# Dixons Contractors Ltd

## Notes to the Financial Statements for the Year Ended 31 March 2016

### 12 Intangible assets

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 April 2015	600,000	600,000
At 31 March 2016	600,000	600,000
<b>Amortisation</b>		
At 1 April 2015	428,572	428,572
Amortisation charge	34,292	34,292
At 31 March 2016	462,864	462,864
<b>Carrying amount</b>		
At 31 March 2016	137,136	137,136
At 31 March 2015	171,428	171,428

# Dixons Contractors Ltd

## Notes to the Financial Statements for the Year Ended 31 March 2016

### 13 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Plant and machinery £	Total £
<b>Cost or valuation</b>				
At 1 April 2015	72,506	369,945	669,040	1,111,491
Additions	19,892	186,480	168,049	374,421
Disposals	(1,985)	(16,250)	(27,900)	(46,135)
At 31 March 2016	<u>90,413</u>	<u>540,175</u>	<u>809,189</u>	<u>1,439,777</u>
<b>Depreciation</b>				
At 1 April 2015	27,006	146,522	518,087	691,615
Charge for the year	13,859	80,890	56,895	151,644
Eliminated on disposal	(1,786)	(10,582)	(24,485)	(36,853)
At 31 March 2016	<u>39,079</u>	<u>216,830</u>	<u>550,497</u>	<u>806,406</u>
<b>Carrying amount</b>				
At 31 March 2016	<u>51,334</u>	<u>323,345</u>	<u>258,692</u>	<u>633,371</u>
At 31 March 2015	<u>45,500</u>	<u>223,423</u>	<u>150,953</u>	<u>419,876</u>

### Assets held under finance leases and hire purchase contracts

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

	2016 £	2015 £
Motor vehicles, plant and machinery	<u>295,570</u>	<u>132,182</u>

# Dixons Contractors Ltd

## Notes to the Financial Statements for the Year Ended 31 March 2016

### 14 Other financial assets (current and non-current)

	2016 £	2015 £
<b>Non-current financial assets</b>		
Financial assets at cost less impairment	<u>34,280</u>	<u>34,280</u>

### 15 Stocks

	2016 £	2015 £
Work in progress	3,213,147	2,856,808
Other inventories	<u>23,740</u>	<u>27,403</u>
	<u>3,236,887</u>	<u>2,884,211</u>

### 16 Debtors

	2016 £	2015 £
Trade debtors	1,280,502	1,494,262
Other debtors	212,587	181,972
Prepayments	<u>49,650</u>	<u>48,605</u>
Total current trade and other debtors	<u>1,542,739</u>	<u>1,724,839</u>

### 17 Cash and cash equivalents

	2016 £	2015 £
Cash at bank	<u>178,462</u>	<u>15,452</u>

## Dixons Contractors Ltd

### Notes to the Financial Statements for the Year Ended 31 March 2016

#### 18 Creditors

	Note	2016 £	2015 £
<b>Due within one year</b>			
Loans and borrowings	22	247,926	165,033
Trade creditors		3,524,355	3,348,526
Social security and other taxes		235,244	246,068
Outstanding defined contribution pension costs		12,293	10,546
Other payables		255	10,376
Accrued expenses		7,548	12,675
Income tax liability	11	40,184	53,443
		<u>4,067,805</u>	<u>3,846,667</u>
<b>Due after one year</b>			
Loans and borrowings	22	<u>147,024</u>	<u>102,628</u>

#### 19 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 April 2015	80,413	80,413
Increase (decrease) in existing provisions	<u>29,511</u>	<u>29,511</u>
At 31 March 2016	<u>109,924</u>	<u>109,924</u>

#### 20 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £75,526 (2015 - £56,738).

Contributions totalling £12,293 (2015 - £10,546) were payable to the scheme at the end of the year and are included in creditors.



# Dixons Contractors Ltd

## Notes to the Financial Statements for the Year Ended 31 March 2016

### 21 Share capital

#### Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

### 22 Loans and borrowings

	2016 £	2015 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	-	34,712
Finance lease liabilities	<u>147,024</u>	<u>67,916</u>
	<u>147,024</u>	<u>102,628</u>
	<b>2016 £</b>	<b>2015 £</b>
<b>Current loans and borrowings</b>		
Bank borrowings	34,719	67,695
Finance lease liabilities	104,807	45,023
Other borrowings	<u>108,400</u>	<u>52,315</u>
	<u>247,926</u>	<u>165,033</u>

#### Bank borrowings

The carrying amount of bank loans and overdrafts at the year end is £34,719 (2015 - £102,407).

The bank loans and overdrafts are secured by:

1. Debenture charging all of the assets and undertakings of the Borrower.
2. A guarantee and indemnity from Daniel Dixon, Geraldine Dixon & DJ Dixon guaranteeing the Borrower's liabilities in the sum of £2,000,000 together with interest and costs accrued thereon unlimited as to time. Supported by
  - (a) First legal mortgage/charge over the property at 6 Bridge Road, Dunloy
  - (b) First legal mortgage/charge over the property at 4 Station Road and Main Street, Dunloy
  - (c) First legal mortgage/charge over the property at 165-169 Tullaghans Road, Dunloy
  - (d) First legal mortgage/charge over the property at 12-14 Main Street, Dunloy
  - (e) First legal mortgage/charge over the leasehold property interest in the property at 11 houses and site at Glenmanus, Portrush
  - (f) First legal mortgage/charge over the property at 6-8 Main Street, Dunloy
  - (g) Assignment of the Bank of Level Term Friends Life life policy on the life of DJ Dixon for amount of £750,000
  - (h) Assignment of the Bank of Abbey Life Assurance life policy on the life of DJ Dixon for amount of £23,365
  - (i) First legal mortgage/charge over the property at Mullaboy Road
  - (j) First legal mortgage/charge over the property at 169 Tullaghans Road, Dunloy
  - (k) First legal mortgage/charge over the property at 6-8 Bellaghy, Dunloy
  - (l) First legal mortgage/charge over the site at Mountpottinger Road, Belfast
3. Deed of Subordination from Daniel Dixon, Geraldine Dixon and DJ Dixon. Supported by

## **Dixons Contractors Ltd**

### **Notes to the Financial Statements for the Year Ended 31 March 2016**

#### **23 Obligations under leases and hire purchase contracts**

##### **Finance leases**

The total of future minimum lease payments is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Not later than one year	113,893	49,893
Later than one year and not later than five years	98,809	45,039
Later than five years	61,257	30,020
	<u>273,959</u>	<u>124,952</u>

##### **Operating leases**

The total of future minimum lease payments is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Not later than one year	50,642	37,323
Later than one year and not later than five years	25,816	45,004
	<u>76,458</u>	<u>82,327</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £Nil (2015 - £Nil).

#### **24 Dividends**

An interim dividend of £75,000 was paid during the year, the directors are proposing a final dividend of £Nil (2015 - £Nil) per share totalling £Nil (2015 - £Nil).

## Dixons Contractors Ltd

### Notes to the Financial Statements for the Year Ended 31 March 2016

#### 25 Related party transactions

##### Summary of transactions with other related parties

Under common control

##### Income and receivables from related parties

	Other related parties £
<b>2016</b>	
Sale of goods	84,853
Rent of premises and storage facilities	81,000
	<u>165,853</u>
Amounts receivable from related party	<u>52,597</u>

	Other related parties £
<b>2015</b>	
Sale of goods	75,850
Rent of premises and storage facilities	81,000
	<u>156,850</u>
Amounts receivable from related party	<u>3,132</u>

##### Expenditure with and payables to related parties

	Other related parties £
<b>2016</b>	
Purchase of goods	84,853
Amounts payable to related party	<u>24,164</u>

	Other related parties £
<b>2015</b>	
Purchase of goods	75,850
Amounts payable to related party	<u>2,773</u>

#### 26 Transition to FRS 102

Dixons Contractors Ltd prepares its first financial statements that comply with FRS 102 for the year ended 31 March 2016, the date of transition to FRS 102 was 1 April 2014. For Dixon Contractors Ltd the transition to FRS 102 has resulted in a change to the amortisation of goodwill accounting policy compared to that used previously, goodwill was being written off over the expected useful life of 20 years, at the date of transition 11 years amortisation remained, however the expected useful life has now been reassessed as 5 years. In preparing its FRS 102 financial statements, Dixons Contractors Ltd has made adjustments for previously unstated deferred tax, an explanation of how the adjustments have affected the financial statements is set out in the following tables.

# Dixons Contractors Ltd

## Notes to the Financial Statements for the Year Ended 31 March 2016

### Balance Sheet at 1 April 2014

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Provisions for liabilities	-	-	56,639	56,639
<b>Capital and reserves</b>				
Profit and loss account	1,000,982	-	(56,639)	944,343
Total equity	1,000,982	-	(56,639)	944,343

### Balance Sheet at 31 March 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Provisions for liabilities	-	-	80,413	80,413
<b>Capital and reserves</b>				
Profit and loss account	1,290,791	-	(80,413)	1,210,378
Total equity	1,290,791	-	(80,413)	1,210,378

### Profit and Loss Account for the year ended 31 March 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover	12,365,841	-	-	12,365,841
Cost of sales	(10,491,277)	-	-	(10,491,277)
Gross profit	1,874,564	-	-	1,874,564
Administrative expenses	(1,420,685)	-	-	(1,420,685)
Operating profit	453,879	-	-	453,879
Other interest receivable and similar income	45	-	-	45
Amounts written off investments	(15,720)	-	-	(15,720)
Interest payable and similar charges	(19,952)	-	-	(19,952)
	(35,627)	-	-	(35,627)
Profit before tax	418,252	-	-	418,252
Taxation	(53,443)	-	(23,774)	(77,217)
Profit/(loss) for the financial year	364,809	-	(23,774)	341,035