

A.C.P. (Concrete) Limited

Report and Financial Statements

28 September 2013

WEDNESDAY



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COMPANIES HOUSE

Directors

J K Denham
P Armstrong
W Mercer
J C Nash

Secretary

P Armstrong

Auditors

Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne NE1 4JD

Bankers

Clydesdale Bank Plc
239 Kingstown Road
Kingstown
Carlisle
Cumbria CA3 0BQ

Solicitors

Burnetts
6 Victoria Place
Carlisle CA1 1ES

Muckle LLP
Time Central
32 Gallowgate
Newcastle Upon Tyne NE1 4BF

Registered Office

Workington Road
Flimby
Maryport
Cumbria CA15 8RY

Registered No 2212402

Directors' report

The directors present their report and financial statements for the 52 weeks ended 28 September 2013

Results and dividends

The profit for the period after taxation amounted to £379,663 (52 weeks ended 29 September 2012 – profit of £572,946) The directors recommended and paid an interim ordinary dividend of £1,000,000 during the period (52 weeks ended 29 September 2012 – £1,000,000)

Principal activities and review of the business

The company's principal activity during the period continues to be the manufacture and sale of pre-stressed concrete products

The directors are satisfied with the results for the period

The company's financial and other performance indicators during the period were as follows

	<i>52 weeks ended 28 September 2013 £000</i>	<i>52 weeks ended 29 September 2012 £000</i>	<i>Change %</i>
Turnover	14,536	15,172	(4.2)
Profit on ordinary activities before taxation	447	805	(44.5)
Number of employees	119	105	13.3
Turnover per employee	122.2	144.5	(15.4)
Profit per employee	3.8	7.7	(50.6)

The 2013 financial year was very difficult for the company. The poor weather in late 2012 combined with a continued depressed construction market led to a reduction in demand for flooring and precast stairs. This situation improved over the second half of the financial year as renewed activity in the house building market saw an increase in demand for these products.

The prestressed panel department suffered a disappointing year as the impact of the very wet weather throughout 2012 led to a significant reduction in demand from the agricultural sector.

The trade and assets of Collier & Henry Concrete (Floors) Ltd were transferred to the company on 30 September 2012 and this contributed to the results for the year.

The inquest has now been held into the death of our employee at our Workington site returning a verdict of accidental death. The HSE investigation is ongoing.

Future developments

The directors look forward to improved results in the new financial year.

Directors' report

Principal risks and uncertainties

The principal risks and uncertainties facing the company can be described as competitive, legislative and financial risks

Competitive risk

The company negotiates annually with certain large customers to supply them for the following year. The success of these negotiations is uncertain and is subject to financial and performance criteria.

The company is exposed to changes in market prices of its raw materials but because of the size of the company's operations it would not be cost effective to attempt to manage this risk. However, the directors will review this policy if circumstances change.

Legislative risk

The end use for a number of the company's products is determined by building legislation. There is always the possibility that policy will change restricting the use of some products.

Financial risk

The main area of risk is that of credit risk by which one party will cause a loss for another party by failing to discharge an obligation. The company's policy is to minimise that risk by ensuring that credit terms are only granted for customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. In addition to this the company has introduced credit insurance for its debtors. Details of the company's debtors are shown in note 10 of the financial statements.

Directors

The directors who served the company during the period were as follows:

J K Denham
P Armstrong
W Mercer
J C Nash

Mr J K Denham retires by rotation, and being eligible, offers himself for re-election.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



P Armstrong
Director

13 February 2014

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 then apply them consistently,
- make judgments 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 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.



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Independent auditors' report

to the members of A.C.P. (Concrete) Limited

We have audited the financial statements of A C P (Concrete) Limited for the 52 weeks ended 28 September 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 18. 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 Directors' Responsibilities Statement 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. 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 28 September 2013 and of its profit for the period 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.



Building a better
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Independent auditors' report

to the members of A C P (Concrete) Limited

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

Darren Rutherford (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne

13 February 2014

Profit and loss account

for the period ended 28 September 2013

		52 weeks ended 28 September 2013	52 weeks ended 29 September 2012
	Notes	£	£
Turnover	2	14,536,486	15,172,207
Cost of sales		10,693,787	11,406,400
Gross profit		<u>3,842,699</u>	<u>3,765,807</u>
Distribution costs		1,800,167	1,828,643
Administrative expenses		1,681,730	1,197,916
		<u>3,481,897</u>	<u>3,026,559</u>
		360,802	739,248
Other operating income		<u>62,294</u>	<u>43,449</u>
Operating profit	3	423,096	782,697
Interest receivable and similar income		<u>23,838</u>	<u>21,908</u>
Profit on ordinary activities before taxation		446,934	804,605
Tax	6	67,271	231,659
Profit for the financial period	13	<u>379,663</u>	<u>572,946</u>

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the period ended 28 September 2013


There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £379,663 in the 52 weeks ended 28 September 2013 (52 weeks ended 29 September 2012 – profit of £572,946)

Balance sheet

at 28 September 2013

		28 September 2013	29 September 2012
	Notes	£	£
Fixed assets			
Tangible assets	8	1,057,572	1,093,039
Current assets			
Stocks	9	1,403,388	1,265,403
Debtors	10	4,412,242	2,562,259
Cash at bank and in hand		-	1,979,412
		5,815,630	5,807,074
Creditors amounts falling due within one year	11	2,980,567	2,387,141
Net current assets		2,835,063	3,419,933
Total assets less current liabilities		3,892,635	4,512,972
		3,892,635	4,512,972
Capital and reserves			
Called up share capital	12	10,000	10,000
Profit and loss account	13	3,882,635	4,502,972
Shareholders' funds	13	3,892,635	4,512,972

The financial statements were approved by the Board of Directors and signed on their behalf on 13 February 2014 by



J K Denham

Director

Notes to the financial statements

at 28 September 2013

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Statement of cash flows

The company has not prepared a statement of cash flows as it is exempt under FRS 1 as a wholly owned subsidiary undertaking of Thomas Armstrong (Holdings) Limited, which includes a group statement of cash flows in its group financial statements

Tangible fixed assets

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

Leasehold buildings	–	10% per annum straight line
Plant and machinery, fixtures, fittings and equipment, motor vehicles	–	at rates varying between 25% per annum reducing balance and 10%-50% per annum straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value as follows

Raw materials and consumables	–	Purchase cost on a first-in, first-out basis
Finished goods	–	Cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception

- Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred taxation is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Lease and hire purchase commitments

Assets held under finance leases are capitalised in the balance sheet and are depreciated over their useful lives

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

Notes to the financial statements

at 28 September 2013

1. Accounting policies (continued)

Pensions

The company belongs to a group money purchase pension scheme which requires contributions to be made to an independently administered fund. Contributions to the fund are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Turnover

Turnover represents the amounts invoiced by the company in respect of goods and services, stated net of value added tax. Turnover and profit before tax, all of which arose in the United Kingdom, are attributable to the manufacture and sale of pre-cast concrete products, which are continuing.

3. Operating profit

This is stated after charging/(crediting)

	52 weeks ended 28 September 2013	52 weeks ended 29 September 2012
	£	£
Auditors' remuneration	11,750	9,700
Depreciation of owned fixed assets	355,985	337,289
Profit on sale of tangible fixed assets	(4,258)	(6,198)

Auditor's remuneration received in respect of non-audit services is disclosed and analysed in the parent undertaking's group financial statements.

4. Directors' remuneration

	52 weeks ended 28 September 2013	52 weeks ended 29 September 2012
	£	£
Remuneration (salaries and fees)	107,204	102,948
Estimated benefits in kind	17,499	16,323
Contributions to defined contribution pension scheme	13,058	14,475
	<u>137,761</u>	<u>133,746</u>

Certain directors are paid by the ultimate parent undertaking for their services to the entire group. The company is charged a management charge of £81,848 (2012 £48,318) for services provided to it by its ultimate parent undertaking. The directors do not consider they can accurately apportion this management charge between the element for directors' remuneration and other services provided.

At 28 September 2013 there were 3 directors (52 weeks ended 29 September 2012 – 3) participating in a group defined contribution pension scheme and a further 0 director (52 weeks ended 29 September 2012 – 1) for which the company contributed to an external pension scheme until the date of their retirement.

Notes to the financial statements

at 28 September 2013

5. Staff costs

	52 weeks ended 28 September 2013 £	52 weeks ended 29 September 2012 £
Wages and salaries	2,429,919	2,150,274
Social security costs	210,345	191,814
Other pension costs	110,901	80,158
	<u>2,751,165</u>	<u>2,422,246</u>

The average monthly number of employees during the period was made up as follows

	No	No
Office and management	37	24
Production	82	81
	<u>119</u>	<u>105</u>

6. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	52 weeks ended 28 September 2013 £	52 weeks ended 29 September 2012 £
Current tax:		
UK corporation tax on the profit for the period	76,604	215,899
Tax (over)/under provided in previous periods	(2,261)	26,997
Total current tax (note 6(b))	<u>74,343</u>	<u>242,896</u>
Deferred tax		
Origination and reversal of timing differences (note 6(c))	(7,072)	(11,237)
Total deferred tax	<u>(7,072)</u>	<u>(11,237)</u>
Tax on profit on ordinary activities	<u>67,271</u>	<u>231,659</u>

Notes to the financial statements

at 28 September 2013

6. Tax (continued)

(b) Factors affecting tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 23.5% (52 weeks ended 29 September 2012 – 25%). The differences are explained below,

	52 weeks ended 28 September 2013 £	52 weeks ended 29 September 2012 £
Profit on ordinary activities before tax	446,934	804,605
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (52 weeks ended 29 September 2012 – 25%)	105,029	201,151
<i>Effects of</i>		
Disallowed expenses and non taxable income	(2,129)	697
Capital allowances less than depreciation	13,807	12,927
Adjustments in respect of previous periods	(2,261)	26,997
Differential tax rate	3,697	1,124
Other timing differences	(1,500)	-
Adjustment re imputed rent	(42,300)	-
Current tax for the period (note 6(a))	74,343	242,896

(c) Deferred tax

The deferred tax asset included in the balance sheet is made up as follows

	52 weeks ended 28 September 2013 £	52 weeks ended 29 September 2012 £
Decelerated capital allowances	(49,569)	(29,484)
Other timing differences	-	(2,890)
	(49,569)	(32,374)
		£
At 30 September 2012		(32,374)
Credit to profit and loss account		(11,295)
Effect of decreased tax rate and changes in legislation on opening liability		4,223
Deferred tax transferred from group undertaking		(10,123)
At 28 September 2013		(49,569)

The company has recognised its deferred tax asset as the directors believe there is sufficient certainty over the level of future taxable profits against which the deferred tax asset can be utilised

Notes to the financial statements

at 28 September 2013

6. Tax (continued)

(d) Factors that may affect future tax charges

The reductions in the main rate of corporation tax from 21% in April 2014 and to 20% in April 2015 were substantively enacted on 2 July 2013. A rate of 23.5% applies to current tax liabilities arising during the year ended 30 September 2013. As the 20% rate was substantively enacted at the balance sheet date, this rate has been applied to the deferred tax assets and liabilities at the year end.

7. Dividends

	28 September 2013	29 September 2012
	£	£
Declared and paid during the period		
Interim dividend for 2013/2012	1,000,000	1,000,000
Proposed		
Final dividend for 2012	-	-
Final dividend for 2013	-	-
	<u>-</u>	<u>-</u>

Notes to the financial statements

at 28 September 2013

8. Tangible fixed assets

	<i>Leasehold land and buildings</i> £	<i>Fixtures, fittings, equipment</i> £	<i>Motor vehicles</i> £	<i>Leased plant and machinery</i> £	<i>Plant and machinery</i> £	<i>Total</i> £
Cost						
At 30 September 2012	183,244	64,354	116,345	51,902	4,392,143	4,807,988
Additions	-	-	46,429	-	144,580	191,009
Disposals	-	-	(45,159)	-	(12,146)	(57,305)
Transfers from group undertakings	-	7,029	22,892	-	111,271	141,192
At 28 September 2013	183,244	71,383	140,507	51,902	4,635,848	5,082,884
Depreciation						
At 30 September 2012	98,558	48,705	80,573	51,899	3,435,214	3,714,949
Charge for period	3,281	3,939	36,128	-	312,637	355,985
Disposals	-	-	(45,155)	-	(7,892)	(53,047)
Transfers from group undertakings	-	-	7,425	-	-	7,425
At 28 September 2013	101,839	52,644	78,971	51,899	3,739,959	4,025,312
Net book value						
At 28 September 2013	81,405	18,739	61,536	3	895,889	1,057,572
At 30 September 2012	84,686	15,649	35,772	3	956,929	1,093,039

9. Stocks

	<i>28 September 2013</i> £	<i>29 September 2012</i> £
Raw materials and consumables	451,026	388,553
Finished goods	952,362	876,850
	<u>1,403,388</u>	<u>1,265,403</u>

Notes to the financial statements

at 28 September 2013

10. Debtors

	28 September 2013	29 September 2012
	£	£
Trade debtors	3,931,637	2,293,488
Prepayments and accrued income	308,241	96,192
Amounts owed by fellow subsidiary undertakings	107,518	131,690
Amounts owed by ultimate parent undertaking	15,277	8,515
Deferred tax asset (note 6(c))	49,569	32,374
	<u>4,412,242</u>	<u>2,562,259</u>

11. Creditors: amounts falling due within one year

	28 September 2013	29 September 2012
	£	£
Bank overdraft	219,632	-
Trade creditors	1,141,114	747,210
Amounts owed to ultimate parent undertaking	478,960	459,292
Amounts owed to fellow subsidiary undertakings	266,713	255,177
Other taxes and social security costs	365,725	346,802
Accruals	452,169	383,111
Corporation tax	56,254	195,549
	<u>2,980,567</u>	<u>2,387,141</u>

12. Issued share capital

	28 September 2013	29 September 2012
	No	No
	£	£
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	10,000 <u>10,000</u>	10,000 <u>10,000</u>

Notes to the financial statements

at 28 September 2013

13. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	£	£	£
At 1 October 2011	10,000	4,930,026	4,940,026
Profit for the period	-	572,946	572,946
Dividend paid in the period	-	(1,000,000)	(1,000,000)
At 30 September 2012	10,000	4,502,972	4,512,972
Profit for the period	-	379,663	379,663
Dividend paid in the period	-	(1,000,000)	(1,000,000)
At 28 September 2013	10,000	3,882,635	3,892,635

14. Capital commitments

	<i>28 September 2013</i>	<i>29 September 2012</i>
	£	£
Authorised and contracted	-	-

15. Pensions

The company belongs to a group money purchase pension scheme which is funded by the payment of contributions to an independently administered fund

16. Contingent liabilities

The company has given the bank an unlimited guarantee in connection with Thomas Armstrong (Holdings) Limited group bank borrowings

17. Related party transactions

The company has taken advantage of the exemption conferred by FRS 8 from disclosing transactions with related parties that are part of the Thomas Armstrong (Holdings) Limited group of companies on the grounds that it is a wholly owned subsidiary undertaking of that company

18. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Thomas Armstrong (Holdings) Limited, a company registered in England and Wales. The parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the company is a member of Thomas Armstrong (Holdings) Limited. Copies of Thomas Armstrong (Holdings) Limited's financial statements can be obtained from Companies House in Cardiff