



BLOCK STONE LIMITED

(Company Number 3088841)

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2012

REGISTRARS COPY



BLOCK STONE LIMITED

COMPANY INFORMATION

Directors	J A Gregory P S Bailey S J Wright I H Kennedy
Company secretary	S J Wright
Registered number	3088841
Registered office	Bolehill Quarry Wingerworth Chesterfield S42 6RG
Independent auditors	BDO LLP Fountain Precinct Balm Green Sheffield S1 2JA
Bankers	Barclays Bank Plc Sheffield
Solicitors	Wake Smith LLP Sheffield

BLOCK STONE LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 14

BLOCK STONE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activities

The principal activity of the company during the year was the quarrying of stone

Review of the business

The company was busy in 2012 but with margins becoming even tighter as the recession continued to bite hard. We expect 2013 to be an improvement and for there to be growth in 2014 as the industry picks up.

The company's quarries saw no surprises in 2012 and output was steady. Sales however were down and this is a direct result of the construction industry not creating demand from our customers as well as a number not surviving the year.

The directors continue to measure the development and performance of the group by monthly monitoring of actual sales, expenditure and cash flow against the budgeted figures from the company's financial business plan and budgets.

The company's main area of risk relates to the quality of block from its quarries and the obtaining of continuing planning consent although this is diluted by the number of quarries it operates and by selling third party material. A further risk relates to cash-flow linked to the slow rate at which debtors are paying. The group have credit insurance on the majority of the debtor book and manage cash efficiently.

Directors

The directors who served during the year were

J A Gregory
P S Bailey
S J Wright
I H Kennedy

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 23 December 2013 and signed on its behalf



S J Wright
Secretary

BLOCK STONE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' 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 accounting estimates that are reasonable and prudent, 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.

BLOCK STONE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLOCK STONE LIMITED

We have audited the financial statements of Block Stone Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities [(Effective April 2008)] (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on 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 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities, 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 year for which the financial statements are prepared is consistent with the financial statements.

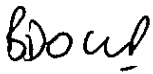
BLOCK STONE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLOCK STONE 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Craig Burton (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Sheffield
United Kingdom

24 DECEMBER 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

BLOCK STONE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	1,604,843	1,713,053
Cost of sales		<u>(1,130,411)</u>	<u>(931,662)</u>
GROSS PROFIT		474,432	781,391
Distribution costs		(328,686)	(303,926)
Administrative expenses		<u>(337,529)</u>	<u>(369,013)</u>
OPERATING (LOSS)/PROFIT	3	(191,783)	108,452
Interest receivable and similar income		-	68
Interest payable and similar charges	6	<u>(38,388)</u>	<u>(43,181)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(230,171)	65,339
Tax on (loss)/profit on ordinary activities	7	<u>15,291</u>	<u>(9,070)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	14	<u><u>(214,880)</u></u>	<u><u>56,269</u></u>

The notes on pages 7 to 14 form part of these financial statements

BLOCK STONE LIMITED
REGISTERED NUMBER 3088841

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	2011 £
FIXED ASSETS				
Tangible assets	8		266,769	350,737
CURRENT ASSETS				
Stocks		552,693		609,693
Debtors amounts falling due after more than one year	9	1,353,201		1,294,004
Debtors amounts falling due within one year	9	354,384		466,184
Cash at bank and in hand		4,152		7,497
		<u>2,264,430</u>		<u>2,377,378</u>
CREDITORS amounts falling due within one year	10	<u>(794,663)</u>		<u>(618,742)</u>
NET CURRENT ASSETS			<u>1,469,767</u>	<u>1,758,636</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,736,536</u>	<u>2,109,373</u>
CREDITORS amounts falling due after more than one year	11		<u>(140,636)</u>	<u>(283,302)</u>
PROVISIONS FOR LIABILITIES				
Deferred tax	12		<u>(10,465)</u>	<u>(25,756)</u>
NET ASSETS			<u><u>1,585,435</u></u>	<u><u>1,800,315</u></u>
CAPITAL AND RESERVES				
Called up share capital	13		200	200
Profit and loss account	14		<u>1,585,235</u>	<u>1,800,115</u>
SHAREHOLDERS' FUNDS			<u><u>1,585,435</u></u>	<u><u>1,800,315</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2013



S J Wright
Director

The notes on pages 7 to 14 form part of these financial statements

BLOCK STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Going concern

The financial statements have been drawn up on a going concern basis

The financial statements show that the company has made a loss of £214,880. The directors are confident that the company will return to profitability during 2014. The directors have prepared forecasts for the company, which show that the company can operate within the existing financing facilities for the foreseeable future. On 23 December 2013 the group successfully negotiated financing against certain fixed assets which creates additional headroom. The directors are currently negotiating additional finance facilities which would provide even further headroom and are confident that these negotiations will be successful.

The directors are confident that the company will continue as a going concern and will successfully negotiate additional facilities and therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Revenue is recognised when goods are despatched to customers.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Short Term Leasehold Property	-	7 - 18 years straight line
Plant and machinery	-	10 - 33% straight line and 25% reducing balance

Lease premiums and professional fees incurred at inception of the lease are capitalised and amortised over the duration of the lease.

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

BLOCK STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES (continued)

1 7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1 8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1 9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1 10 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and loss account as the related expenditure is incurred

1 11 Employee Benefit Trust

Contributions made to the Trust are charged to the profit and loss account to the extent that the assets held by the Trust as a result of the contribution have been unconditionally gifted to the beneficiaries or, if earlier, when a constructive obligation has arisen and created a liability of the company. The value of any assets held by the Trust that have not been unconditionally transferred to beneficiaries is included within other debtors

2 TURNOVER

1.5% of the company's turnover (2011 - 5.3%) is attributable to geographical markets outside the United Kingdom

BLOCK STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

3 OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	118,346	121,206
- held under finance leases	14,622	14,622
Auditors' remuneration	3,900	3,900
Pension costs	(18,550)	7,950
Government grants released	-	(6,808)
Operating leases - plant and equipment	103,851	100,295
	<u>103,851</u>	<u>100,295</u>

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	224,345	212,034
Social security costs	22,716	21,885
Other pension costs	(18,550)	7,950
	<u>228,511</u>	<u>241,869</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No	2011 No
Production	7	7
Sales and admin	1	1
	<u>8</u>	<u>8</u>

5 DIRECTORS' REMUNERATION

	2012 £	2011 £
Aggregate remuneration	(18,550)	7,950

During the year retirement benefits were accruing to 2 directors (2011 - 2) in respect of defined contribution pension schemes

BLOCK STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

6 INTEREST PAYABLE

	2012 £	2011 £
On bank loans and overdrafts	34,341	39,134
On finance leases and hire purchase contracts	4,047	4,047
	<u>38,388</u>	<u>43,181</u>

7 TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
Deferred tax		
Origination and reversal of timing differences	(15,291)	10,697
Effect of change of tax rate on opening balances	-	(79)
Elimination of residue on industrial buildings allowances	-	(1,548)
	<u>(15,291)</u>	<u>9,070</u>
Total deferred tax (see note 12)	<u>(15,291)</u>	<u>9,070</u>
Tax on (loss)/profit on ordinary activities	<u>(15,291)</u>	<u>9,070</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 20% (2011 - 20%) The differences are explained below

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	(230,171)	65,339
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 - 20%)	(46,034)	13,231
Effects of		
Non-tax deductible amortisation of government grants	-	(1,378)
Expenses not deductible for tax purposes	-	116
Capital allowances for year in excess of depreciation	17,773	(534)
Other timing differences leading to an increase (decrease) in taxation	-	(5,151)
Changes in provisions leading to a decrease in the tax charge	-	(1,994)
Unrelieved tax losses carried forward	24,473	-
Group relief	3,788	(4,290)
	<u>-</u>	<u>-</u>
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

BLOCK STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

8 TANGIBLE FIXED ASSETS

	Land and buildings £	Other fixed assets £	Total £
Cost			
At 1 January 2012	85,197	1,331,996	1,417,193
Additions	36,000	13,000	49,000
At 31 December 2012	121,197	1,344,996	1,466,193
Depreciation			
At 1 January 2012	25,224	1,041,232	1,066,456
Charge for the year	14,130	118,838	132,968
At 31 December 2012	39,354	1,160,070	1,199,424
Net book value			
At 31 December 2012	81,843	184,926	266,769
At 31 December 2011	59,973	290,764	350,737

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2012 £	2011 £
Plant and machinery	50,040	64,662

At 31 December 2012, included within the net book value of land and buildings is **£6,000** (2011 £6,000) relating to freehold land and buildings and **£64,843** (2011 £53,973) relating to short term leasehold land and buildings

9 DEBTORS

	2012 £	2011 £
Due after more than one year		
Amounts owed by group undertakings	1,353,201	1,294,004
Due within one year		
Trade debtors	133,484	145,801
Amounts owed by group undertakings	172,462	280,745
Other debtors	48,438	39,638
	354,384	466,184

BLOCK STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

10 CREDITORS

Amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	121,576	112,105
Other loans	213,638	189,551
Net obligations under finance leases and hire purchase contracts	21,090	21,090
Trade creditors	293,352	240,027
Amounts owed to group undertakings	39,046	-
Other taxation and social security	7,485	8,481
Other creditors	98,476	47,488
	<u>794,663</u>	<u>618,742</u>

All bank loans and overdrafts are secured by way of a legal mortgage in favour of Barclays Bank Plc on land, buildings and plant and machinery, a fixed charge over future land and buildings and book debts and a floating charge over the remaining company assets

Other loans consists of a stock financing agreement which is secured against the stock of the company It also consists of a debtor financing agreement which is secured against the company's trade debtors

Finance lease and hire purchase creditors are secured on the assets concerned

11 CREDITORS

Amounts falling due after more than one year

	2012 £	2011 £
Bank loans	131,848	253,424
Net obligations under finance leases and hire purchase contracts	8,788	29,878
	<u>140,636</u>	<u>283,302</u>

12 DEFERRED TAXATION

	2012 £	2011 £
At beginning of year	25,756	16,686
(Released during)/charge for year (P&L)	(15,291)	9,070
At end of year	<u>10,465</u>	<u>25,756</u>

BLOCK STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

12 DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows

	2012 £	2011 £
Accelerated capital allowances	12,557	27,848
Short term timing differences	(2,092)	(2,092)
	<u>10,465</u>	<u>25,756</u>

A deferred tax asset of **£24,472** (2011 £Nil) relating to unrelieved tax losses carried forward has not been provided for in these accounts, as there is insufficient evidence that the tax losses will be recoverable

13 SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £0.20 each	<u>200</u>	<u>200</u>

14 RESERVES

	Profit and loss account £
At 1 January 2012	1,800,115
Loss for the financial year	(214,880)
At 31 December 2012	<u>1,585,235</u>

15 CONTINGENT LIABILITIES

The company offers an unlimited guarantee in respect of monies owed by Realstone Limited to Barclays Bank plc. At the balance sheet date these borrowings totalled **£683,463** (2011 £727,800)

16. PENSION COSTS

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund

The pension cost charge represents contributions payable by the company to the fund and amounted to **£18,550** credit (2011 £7,950 debit). Contributions totalling **£15,900** (2011 £34,450) were payable to the fund at the balance sheet date and are included in creditors

BLOCK STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

17 OPERATING LEASE COMMITMENTS

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012 £	2011 £
Expiry date		
Between 2 and 5 years	22,300	22,300
After more than 5 years	77,994	77,994

18 RELATED PARTY TRANSACTIONS

The entity has taken advantage of the exemption in Financial Reporting Standard for Smaller Entities (effective April 2008) from the requirement to disclose transactions with the group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

Included within other creditors due less than one year is a loan of £31,000 (2011 £Nil) owed to J A Gregory, a director. No interest is charged on this loan

19 CONTROLLING PARTY AND ULTIMATE PARENT COMPANY

The parent undertaking is Realstone Holdings Limited, a company incorporated in the United Kingdom

Realstone Holdings Limited is the largest and smallest group of undertakings for which group accounts are prepared. Group accounts are available from Companies House, Cardiff, CF4 3UZ