



BLOCK STONE LIMITED

(Company Number: 3088841)

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2013

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 Derbyshire S42 6RG
Independent auditor	BDO LLP Fountain Precinct Balm Green Sheffield S1 2JA
Bankers	Barclays Bank Plc Sheffield
Solicitors	Wake Smith LLP Sheffield

BLOCK STONE LIMITED

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BLOCK STONE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their report and the financial statements for the year ended 31 December 2013.

Principal activities

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

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 auditor is 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 auditor in connection with preparing its report and to establish that the company's auditor is 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 30 September 2014 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 2013, set out on pages 5 to 13. 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 Directors' responsibilities statement, 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 2013 and of its profit 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 in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.



Craig Burton (Senior statutory auditor)

for and on behalf of BDO LLP (statutory auditor)

Sheffield

30 September 2014

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 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	1,519,555	1,604,843
Cost of sales		<u>(1,010,435)</u>	<u>(1,130,411)</u>
GROSS PROFIT		509,120	474,432
Distribution costs		<u>(289,966)</u>	<u>(328,686)</u>
Administrative expenses		<u>(220,131)</u>	<u>(337,529)</u>
Exceptional administrative expenses	6	<u>(13,283)</u>	<u>-</u>
Total administrative expenses		<u>(233,414)</u>	<u>(337,529)</u>
OPERATING LOSS	3	(14,260)	(191,783)
EXCEPTIONAL ITEMS			
Net profit on sale of tangible fixed assets	6	<u>54,897</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		40,637	(191,783)
Interest payable and similar charges	5	<u>(36,591)</u>	<u>(38,388)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		4,046	(230,171)
Tax on profit/(loss) on ordinary activities	7	<u>7,488</u>	<u>15,291</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	14	<u>11,534</u>	<u>(214,880)</u>

The notes on pages 7 to 13 form part of these financial statements.


BLOCK STONE LIMITED
REGISTERED NUMBER: 3088841

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	2012 £
FIXED ASSETS				
Tangible assets	8		153,193	266,769
CURRENT ASSETS				
Stocks		512,211	552,693	
Debtors: amounts falling due after more than one year	9	1,159,965	1,353,201	
Debtors: amounts falling due within one year	9	419,191	354,384	
Cash at bank and in hand		300	4,152	
		<u>2,091,667</u>	<u>2,264,430</u>	
CREDITORS: amounts falling due within one year	10	<u>(644,914)</u>	<u>(794,663)</u>	
NET CURRENT ASSETS			<u>1,446,753</u>	<u>1,469,767</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,599,946</u>	<u>1,736,536</u>
CREDITORS: amounts falling due after more than one year	11		-	(140,636)
PROVISIONS FOR LIABILITIES				
Deferred tax	12		(2,977)	(10,465)
NET ASSETS			<u><u>1,596,969</u></u>	<u><u>1,585,435</u></u>
CAPITAL AND RESERVES				
Called up share capital	13		200	200
Profit and loss account	14		1,596,769	1,585,235
SHAREHOLDERS' FUNDS			<u><u>1,596,969</u></u>	<u><u>1,585,435</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 30 September 2014.



S J Wright
Director

The notes on pages 7 to 13 form part of these financial statements.

BLOCK STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 directors are confident that the group will return to profitability during 2015. The directors have prepared forecasts for the group which show that the group can operate within the existing financing facilities for the foreseeable future. The directors are currently negotiating additional finance facilities which would provide 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 2013

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 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

2.8% of the company's turnover (2012 - 1.5%) is attributable to geographical markets outside the United Kingdom.

BLOCK STONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

3. OPERATING LOSS

The operating loss is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	26,579	118,346
- held under finance leases	76,494	14,622
Auditor's remuneration	3,900	3,900
Pension costs	-	(18,550)
Operating leases - plant and equipment	95,306	103,851
	<u> </u>	<u> </u>

4. DIRECTORS' REMUNERATION

	2013 £	2012 £
Aggregate remuneration	-	(18,550)
	<u> </u>	<u> </u>

During the year retirement benefits were accruing to no directors (2012 - 2) in respect of defined contribution pension schemes.

5. INTEREST PAYABLE

	2013 £	2012 £
On bank loans and overdrafts	29,278	34,341
On finance leases and hire purchase contracts	7,213	4,047
Other interest payable	100	-
	<u> </u>	<u> </u>
	36,591	38,388
	<u> </u>	<u> </u>

6. EXCEPTIONAL ITEMS

	2013 £	2012 £
Legal and professional fees	12,142	-
Redundancy costs	1,141	-
Profit on disposal of fixed assets	(54,897)	-
	<u> </u>	<u> </u>
	(41,614)	-
	<u> </u>	<u> </u>

BLOCK STONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

7. TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
Deferred tax		
Origination and reversal of timing differences	2,977	(15,291)
Effect of change of tax rate on opening balances	(10,465)	-
Total deferred tax (see note 12)	<u>(7,488)</u>	<u>(15,291)</u>
Tax on profit/loss on ordinary activities	<u>(7,488)</u>	<u>(15,291)</u>

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Other fixed assets £	Total £
Cost			
At 1 January 2013	121,197	1,344,996	1,466,193
Additions	3,100	-	3,100
Disposals	-	(330,525)	(330,525)
At 31 December 2013	<u>124,297</u>	<u>1,014,471</u>	<u>1,138,768</u>
Depreciation			
At 1 January 2013	39,354	1,160,070	1,199,424
Charge for the year	14,130	88,943	103,073
On disposals	-	(316,922)	(316,922)
At 31 December 2013	<u>53,484</u>	<u>932,091</u>	<u>985,575</u>
Net book value			
At 31 December 2013	<u>70,813</u>	<u>82,380</u>	<u>153,193</u>
At 31 December 2012	<u>81,843</u>	<u>184,926</u>	<u>266,769</u>

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

	2013 £	2012 £
Plant and machinery	<u>82,380</u>	<u>50,040</u>

The finance lease liability in relation to these assets is held by Realstone Limited, a fellow subsidiary of Realstone (Holdings) Limited.

At 31 December 2013, included within the net book value of land and buildings is **£17,000** (2012: £6,000) relating to freehold land and buildings and **£50,713** (2012: £64,843) relating to short term leasehold land and buildings.

BLOCK STONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

9. DEBTORS

	2013 £	2012 £
Due after more than one year		
Amounts owed by group undertakings	1,159,965	1,353,201
	<u>1,159,965</u>	<u>1,353,201</u>
Due within one year		
Trade debtors	254,138	133,484
Amounts owed by group undertakings	144,355	172,462
Other debtors	20,698	48,438
	<u>419,191</u>	<u>354,384</u>

**10. CREDITORS:
Amounts falling due within one year**

	2013 £	2012 £
Bank loans and overdrafts	20,264	121,576
Other loans	263,759	213,638
Net obligations under finance leases and hire purchase contracts	-	21,090
Trade creditors	215,299	293,352
Amounts owed to group undertakings	11,000	39,046
Other taxation and social security	36,996	7,485
Other creditors	97,596	98,476
	<u>644,914</u>	<u>794,663</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 debtor financing agreement which is secured against the company's trade debtors.

**11. CREDITORS:
Amounts falling due after more than one year**

	2013 £	2012 £
Bank loans	-	131,848
Net obligations under finance leases and hire purchase contracts	-	8,788
	<u>-</u>	<u>140,636</u>

BLOCK STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

12. DEFERRED TAXATION

	2013 £	2012 £
At beginning of year	10,465	25,756
Released during year (P&L)	(7,488)	(15,291)
At end of year	<u>2,977</u>	<u>10,465</u>

The provision for deferred taxation is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	3,084	12,557
Short term timing differences	(107)	(2,092)
	<u>2,977</u>	<u>10,465</u>

13. SHARE CAPITAL

	2013 £	2012 £
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 2013	1,585,235
Profit for the financial year	11,534
At 31 December 2013	<u>1,596,769</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 **£645,633** (2012: £683,463).

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 **£Nil** (2012: £18,550 credit). Contributions totalling **£Nil** (2012: £15,900) 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 2013

17. OPERATING LEASE COMMITMENTS

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
Expiry date:		
Within 1 year	8,157	-
Between 2 and 5 years	14,144	22,300
After more than 5 years	86,151	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 **£17,500** (2012: £31,000) 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.