

COMPANY REGISTRATION NUMBER 05763224

BLACKTON ROOFING & CLADDING LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2012



CHUHAN & SINGH
Chartered Accountants & Statutory Auditor
81 Borough Road
Middlesbrough
TS1 3AA

BLACKTON ROOFING & CLADDING LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

CONTENTS	PAGE
Director's report	1
Independent auditor's report to the shareholders	3
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8
The following pages do not form part of the financial statements	
Detailed profit and loss account	16
Notes to the detailed profit and loss account	17

BLACKTON ROOFING & CLADDING LIMITED

DIRECTOR'S REPORT

YEAR ENDED 31 DECEMBER 2012

The director presents his report and the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the erection of roof covering and frames

The results of the period are shown in the financial statements. The directors consider the profit achieved on ordinary activities before taxation to be satisfactory given the general economic conditions in the period. Gross profit margins have risen significantly as a result of the repositioning of the company in the general market place, and significant reductions in overheads have been achieved.

RESULTS AND DIVIDENDS

The profit for the year amounted to £316,183. Particulars of dividends paid are detailed in note 7 to the financial statements.

FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 11 to the accounts.

DIRECTOR

The director who served the company during the year was as follows:

Mr S Winspear

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 year.

In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

BLACKTON ROOFING & CLADDING LIMITED

DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2012

DONATIONS

During the year the company made the following contributions

	Year to 31 December 2012 £	Period from 1 October 2010 to 31 December 2011 £
Charitable	<u>1,083</u>	<u>1,255</u>

AUDITOR

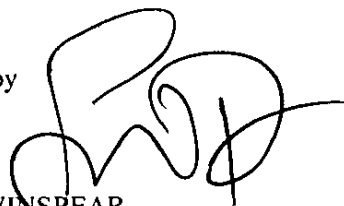
Chuhan & Singh are deemed to be re-appointed under section 487(2) of the Companies Act 2006

The director at the date of the approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Registered office
Brenda Road
Hartlepool
TS25 2BW

Signed by



MR S WINSPEAR

DIRECTOR

Approved by the director on 27/09/2013

BLACKTON ROOFING & CLADDING LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BLACKTON ROOFING & CLADDING LIMITED

YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of Blackton Roofing & Cladding Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As explained more fully in the Director's Responsibilities Statement set out on page 1, the director is 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 director, 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BLACKTON ROOFING & CLADDING LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BLACKTON ROOFING & CLADDING LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2012

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



MR A BLUEITT (Senior Statutory Auditor)

For and on behalf of
CHUHAN & SINGH
Chartered Accountants
& Statutory Auditor

81 Borough Road
Middlesbrough
TS1 3AA

27 September 2013

BLACKTON ROOFING & CLADDING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2012

		Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
TURNOVER	Note 2	614,483	1,795,413
Cost of sales		<u>73,765</u>	<u>1,213,385</u>
GROSS PROFIT		540,718	582,028
Administrative expenses		224,400	440,872
Other operating income		<u>—</u>	<u>(1,094)</u>
OPERATING PROFIT	3	316,318	142,250
Interest payable and similar charges	5	135	138
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		316,183	142,112
Tax on profit on ordinary activities	6	—	(58)
PROFIT FOR THE FINANCIAL YEAR		<u>316,183</u>	<u>142,170</u>

All of the activities of the company are classed as continuing

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

The notes on pages 8 to 14 form part of these financial statements

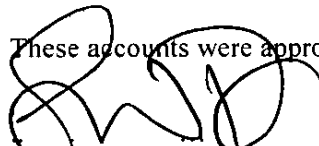
BLACKTON ROOFING & CLADDING LIMITED

BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £	£	2011 £
CURRENT ASSETS				
Stocks	8	163,133		66,307
Debtors	9	70,523		504,401
Cash at bank		182		—
		<u>233,838</u>		<u>570,708</u>
CREDITORS: Amounts falling due within one year	10	<u>56,427</u>		<u>529,395</u>
NET CURRENT ASSETS			<u>177,411</u>	<u>41,313</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>177,411</u>	<u>41,313</u>
CAPITAL AND RESERVES				
Called-up equity share capital	13		1	1
Profit and loss account	14		<u>177,410</u>	<u>41,312</u>
SHAREHOLDERS' FUNDS	15		<u>177,411</u>	<u>41,313</u>

These accounts were approved and signed by the director and authorised for issue on 21/09/2013



MR S WINSPEAR

Company Registration Number 05763224

The notes on pages 8 to 14 form part of these financial statements

BLACKTON ROOFING & CLADDING LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2012

	Note	Year to 31 Dec 12 £	£	Period from 1 Oct 10 to 31 Dec 11 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	16		190,118	303,274
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	16		(135)	(138)
TAXATION	16		–	(12,842)
EQUITY DIVIDENDS PAID			(180,085)	–
CASH INFLOW BEFORE FINANCING			9,898	290,294
FINANCING	16		–	(300,000)
INCREASE/(DECREASE) IN CASH	16		9,898	(9,706)

The notes on pages 8 to 14 form part of these financial statements

BLACKTON ROOFING & CLADDING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoice amounts less provisions for any doubtful debts. Bad debts are written off when identified

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process

BLACKTON ROOFING & CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

	Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
United Kingdom	<u>614,483</u>	<u>1,795,413</u>

3. OPERATING PROFIT

Operating profit is stated after charging

	Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
Director's remuneration	—	—
Auditor's remuneration		
- as auditor	4,500	—
Operating lease costs		
- Other	<u>32,933</u>	<u>37,969</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	Year to 31 Dec 12 No	Period from 1 Oct 10 to 31 Dec 11 No
Number of production staff	2	—
Number of management staff	2	—
	<u>4</u>	<u>—</u>

The aggregate payroll costs of the above were

	Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
Wages and salaries	99,761	514,818
Social security costs	—	—
	<u>99,761</u>	<u>514,818</u>

BLACKTON ROOFING & CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
Interest payable on bank borrowing	135	103
Finance charges	—	35
	<u>135</u>	<u>138</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
Current tax		
Corporation tax	-	-
Over/under provision in prior year	-	(58)
Total current tax	<u>-</u>	<u>(58)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2011 - 20%)

	Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
Profit on ordinary activities before taxation	<u>316,183</u>	<u>142,112</u>
Profit on ordinary activities by rate of tax	63,237	28,422
Group relief	(63,237)	(28,422)
Sundry tax adjusting items	-	(58)
Total current tax (note 6(a))	<u>-</u>	<u>(58)</u>

BLACKTON ROOFING & CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

7. DIVIDENDS

Equity dividends

	Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
Paid during the year		
Dividends on equity shares	<u>180,085</u>	<u>—</u>

8. STOCKS

	2012 £	2011 £
Work in progress	<u>163,133</u>	<u>66,307</u>

9. DEBTORS

	2012 £	2011 £
Trade debtors	7,567	147,029
Amounts owed by group undertakings	39,990	346,089
Other debtors	9,056	8,428
Prepayments and accrued income	<u>13,910</u>	<u>2,855</u>
	<u>70,523</u>	<u>504,401</u>

10. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Overdrafts	—	9,716
Trade creditors	21,855	444,660
Other creditors including taxation		
VAT	25,442	55,889
Other creditors	8,428	8,428
Directors current accounts	<u>702</u>	<u>10,702</u>
	<u>34,572</u>	<u>75,019</u>
	<u>56,427</u>	<u>529,395</u>

BLACKTON ROOFING & CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Instrument Risk

The company seeks to operate within its agreed overdraft facility with the bank. Most sales are to UK customers and all suppliers are UK based, the company has therefore not entered into any arrangements in respect of risk relating to trade debtors or creditors.

Based on the level of borrowings at the year end, increases in interest rates increase the company's borrowing costs.

The company is currently reliant on overdraft facilities from the bank and therefore has a cash flow and liquidity risk. The company has tightened up controls over collection of trade debtors and has negotiated favourable payment terms with its suppliers. The bank is currently satisfied with the company's financial performance and the directors do not think there is any risk of facilities being withdrawn.

12. RELATED PARTY TRANSACTIONS

The company was under the control of Mr S Winspear throughout the current and previous year. Mr S Winspear is the managing director and majority shareholder in the parent company.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

13. SHARE CAPITAL

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

14. PROFIT AND LOSS ACCOUNT

	Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
Balance brought forward	41,312	(100,858)
Profit for the financial year	316,183	142,170
Equity dividends	(180,085)	—
Balance carried forward	<u>177,410</u>	<u>41,312</u>

BLACKTON ROOFING & CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	316,183	142,170
Equity dividends	(180,085)	—
Net addition to shareholders' funds/(deficit)	136,098	142,170
Opening shareholders' funds/(deficit)	41,313	(100,857)
Closing shareholders' funds	177,411	41,313

16. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
Operating profit	316,318	142,250
Increase in stocks	(96,826)	(66,307)
Decrease in debtors	433,878	112,757
(Decrease)/increase in creditors	(463,252)	114,574
Net cash inflow from operating activities	190,118	303,274

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
Interest paid	(135)	(103)
Interest element of hire purchase and finance lease	—	(35)
Net cash outflow from returns on investments and servicing of finance	(135)	(138)

TAXATION

	Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
Taxation	—	(12,842)

BLACKTON ROOFING & CLADDING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

16. NOTES TO THE CASH FLOW STATEMENT *(continued)*

FINANCING

	Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
Repayment of long-term amounts owed to group undertakings	—	(300,000)
Net cash outflow from financing	<u>—</u>	<u>(300,000)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2012 £	£	2011 £
Increase/(decrease) in cash in the period	9,898		(9,706)
Net cash outflow from long-term amounts owed to group undertakings	<u>—</u>		<u>300,000</u>
		9,898	290,294
Change in net funds		9,898	290,294
Net debt at 1 January 2012		(9,716)	(300,010)
Net funds at 31 December 2012		<u>182</u>	<u>(9,716)</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2012 £	Cash flows £	At 31 Dec 2012 £
Net cash			
Cash in hand and at bank	—	182	182
Overdrafts	(9,716)	9,716	—
	<u>(9,716)</u>	<u>9,898</u>	<u>182</u>
Debt	<u>—</u>	<u>—</u>	<u>—</u>
Net funds	<u>(9,716)</u>	<u>9,898</u>	<u>182</u>

17. ULTIMATE PARENT COMPANY

The ultimate parent company is Dean Group Limited which owns 100% of the issued share capital of the company. The director Mr S Winspear has a beneficial interest in 90% of the issued share capital of the parent company.

BLACKTON ROOFING & CLADDING LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 DECEMBER 2012

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 3 to 4**

BLACKTON ROOFING & CLADDING LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2012

	Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
TURNOVER	614,483	1,795,413
COST OF SALES		
Opening work-in-progress	66,307	–
Purchases	129,650	812,523
Direct costs	–	17,971
Direct wages	34,457	370,471
Hire of plant and machinery	6,484	78,727
	<u>236,898</u>	<u>1,279,692</u>
Closing work-in-progress	<u>(163,133)</u>	<u>(66,307)</u>
	<u>73,765</u>	<u>1,213,385</u>
GROSS PROFIT	540,718	582,028
OVERHEADS		
Administrative expenses	224,400	440,872
	<u>316,318</u>	<u>141,156</u>
OTHER OPERATING INCOME		
Other operating income	–	1,094
OPERATING PROFIT	316,318	142,250
Interest payable	(135)	(138)
PROFIT ON ORDINARY ACTIVITIES	316,183	142,112

BLACKTON ROOFING & CLADDING LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2012

	Year to 31 Dec 12 £	Period from 1 Oct 10 to 31 Dec 11 £
ADMINISTRATIVE EXPENSES		
Personnel costs		
Wages and salaries	65,304	144,347
Establishment expenses		
Rent	32,933	37,969
Rates and water	18,033	19,358
Light and heat	8,370	9,711
Insurance	2,816	11,608
Repairs and maintenance (allowable)	844	279
	<u>62,996</u>	<u>78,925</u>
General expenses		
Motor expenses	37,611	46,975
Travel and subsistence	4,776	12,373
Telephone	4,100	6,120
Printing, stationery and postage	964	2,373
Staff training	850	411
Sundry expenses	2,138	4,990
Donations	1,083	1,255
Subscriptions	569	911
Advertising	3,266	4,791
Entertaining	1,683	967
Management charges payable	—	130,138
Legal and professional fees	7,599	5,026
Accountancy fees	914	914
Auditors remuneration	4,500	—
	<u>70,053</u>	<u>217,244</u>
Financial costs		
Bad debts written off	25,672	32
Bank charges	375	324
	<u>26,047</u>	<u>356</u>
	<u>224,400</u>	<u>440,872</u>
INTEREST PAYABLE		
Bank interest payable	135	103
Hire purchase and finance lease charges	—	35
	<u>135</u>	<u>138</u>