

CW Harmer & Son Limited

**Directors' report and unaudited financial
statements**

31 March 2010

Registered number 5763688

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Directors' report and financial statements

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Directors' report

The directors submit their annual report and the unaudited financial statements of the company for the year ended 31 March 2010

Principal activities

The principal activity of the company is that of building and construction services

Business review

The profit for the year after taxation was £37,003 (2009 profit £15,900)

Proposed dividend and transfer to reserves

Dividends of £nil (2009 £20,000) were proposed by the directors and paid by the company and the surplus for the year transferred to reserves amounted to £37,003 (2009 deficit £4,100)

Directors

The directors who held office during the year were as follows

Mr CW Harmer

Mr SW Harmer

Small company provisions

This report and accounts has been prepared taking advantage of the small companies exemption of Section 415A of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

By order of the board



Mrs CA Gowen
Company Secretary

29 September 2010

Profit and loss account

for the year ended 31 March 2010

	<i>Note</i>	2010 £	2009 £
Turnover from continuing operations	2	592,444	463,162
Cost of sales		426,409	337,026
		<hr/>	<hr/>
Gross profit		166,035	126,136
Administrative expenses		119,600	105,933
		<hr/>	<hr/>
Operating profit from continuing operations	3	46,435	20,203
Interest receivable		405	98
		<hr/>	<hr/>
Profit on ordinary activities before taxation		46,840	20,301
Tax on profit on ordinary activities	4	9,837	4,401
		<hr/>	<hr/>
Profit for the financial year after taxation		37,003	15,900
		<hr/> <hr/>	<hr/> <hr/>

The company had no recognised gains and losses other than those shown on the face of the profit and loss account

Balance sheet

Company number 5763688

at 31 March 2010

	<i>Note</i>	£	2010 £	£	2009 £
Fixed assets					
Tangible assets	5		33,788		37,390
Current assets					
Stock and work in progress	6	7,446		54,411	
Debtors	7	121,515		63,196	
		<u>128,961</u>		<u>117,607</u>	
Creditors amounts falling due within one year	8	114,497		134,658	
Net current assets/(liabilities)			<u>14,464</u>		<u>(17,051)</u>
Total assets less current liabilities			<u>48,252</u>		<u>20,339</u>
Creditors , amounts falling due in more than one year	9		(4,850)		(14,042)
Provisions for liabilities and charges	10		(4,297)		(4,195)
Net assets			<u>39,105</u>		<u>2,102</u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account			39,005		2,002
	12		<u>39,105</u>		<u>2,102</u>


For the year ending 31 March 2010 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 ("The Act") relating to small companies

Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the board of directors on 29 September 2010 and were signed on its behalf by


Mr. CW Harmer
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

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)

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset's cost over its estimated useful life as follows

Plant & machinery	-	20% reducing balance
Office equipment	-	25% reducing balance
Motor vehicles	-	25% reducing balance

Stocks and work in progress

Stocks are valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items. Work in progress is valued on the basis of the value of work performed to the balance sheet date including attributable overheads and profit. Losses on loss making contracts are written off to the profit and loss account as soon as they are recognised.

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.

Hire purchase agreements

Assets acquired under hire purchase agreements are capitalised with a liability set up in respect of the finance. Interest costs are charged to the profit and loss account equally over the period of the agreement.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Notes (continued)

2 Analysis of turnover and profit on ordinary activities before taxation

Turnover and profit before tax are attributable to the principal activity

3 Profit on ordinary activities before taxation

	2010 £	2009 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation		
- owned assets	6,416	6,388
- assets held under hire purchase agreements	3,466	4,561
Directors' remuneration	22,757	30,616
	<u> </u>	<u> </u>

4 Taxation

	2010 £	2009 £
UK corporation tax at 21% (2009 21%) – current year	9,735	2,708
Prior year adjustment	-	12
Deferred tax provision at 21% (2009 21%) (note 10)	102	1,681
	<u> </u>	<u> </u>
	9,837	4,401
	<u> </u>	<u> </u>

Notes (continued)

5 Tangible fixed assets

	Plant & machinery £	Office equipment £	Motor vehicles £	Total £
Cost				
At beginning of year	33,454	4,669	28,807	66,930
Additions	5,014	737	1,280	7,031
Disposals	(1,835)	-	-	(1,835)
At end of year	36,633	5,406	30,087	72,126
Depreciation				
At beginning of year	15,405	2,589	11,546	29,540
Charge for year	4,613	704	4,565	9,882
Disposals	(1,084)	-	-	(1,084)
At end of year	18,934	3,293	16,111	38,338
Net book value				
At 31 March 2010	17,699	2,113	13,976	33,788
At 31 March 2009	18,049	2,080	17,261	37,390

Assets held under hire purchase agreements with a cost of £20,344 (2009 £20,344), annual depreciation of £3,466 (2009 £4,561) with a net book value of £10,398 (2009 £13,864)

6 Stock and work in progress

	2010 £	2009 £
Stock – materials	500	500
Work in progress	6,946	53,911
	7,446	54,411

7 Debtors

	2010 £	2009 £
Trade debtors	114,285	58,967
Other debtors	256	215
Prepayments	6,974	4,014
	121,515	63,196

Notes (continued)

8 Creditors: amounts falling due within one year

	2010 £	2009 £
Bank overdraft (secured)	13,155	32,356
HP liability (secured)	2,595	2,595
Trade creditors	34,275	31,790
PAYE and NIC	2,827	3,697
Corporation tax	9,735	2,708
Other taxation	16,531	6,681
Other creditors	34,504	53,956
Accruals and deferred income	875	875
	<u>114,497</u>	<u>134,658</u>

9 Creditors: amounts falling due in more than one year

	2010 £	2009 £
HP liability (secured)	4,850	14,042
	<u>4,850</u>	<u>14,042</u>

10 Provisions for liabilities and charges

	2010 £	2009 £
<i>Deferred taxation – capital allowances</i>		
Balance brought forward	4,195	2,514
Transferred from profit and loss account (note 4)	102	1,681
	<u>4,297</u>	<u>4,195</u>

11 Called up share capital

	2010 £	2009 £
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Notes (continued)

12 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial period	37,003	15,900
Dividends paid	-	(20,000)
Opening shareholders' funds	2,102	6,202
	<hr/>	<hr/>
Closing shareholders' funds	39,105	2,102
	<hr/>	<hr/>

13 Related party transactions

At the end of the period a balance of £25,582 (2009 £46,437) was owed by the company to Mr & Mrs CW Harmer and £8,922 (2009 £7,319) owed to Mr S Harmer, which are included in other creditors due in less than one year in note 8

Sales include £nil (2009 £3,751) in respect of a property owned by Mr & Mrs CW Harmer

14 Controlling interest

By reason of his ownership of 60% of the issued ordinary shares, Mr CW Harmer exercises overall control of the company