

Company Registration No. SC316320 (Scotland)

Granite City Plumbing and Heating Limited

Unaudited financial statements

for the year ended 28 February 2017

Pages for filing with Registrar

Granite City Plumbing and Heating Limited

Company information

Director	S Wilson
Secretary	Mrs J C Wilson
Company number	SC316320
Registered office	7 Anderson Avenue Aberdeen AB24 4LR
Accountants	Henderson Loggie 45 Queens Road Aberdeen AB15 4ZN

Granite City Plumbing And Heating Limited

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Granite City Plumbing And Heating Limited

Balance sheet

as at 28 February 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		204,006		173,516
Current assets					
Stocks		31,789		15,900	
Debtors	5	96,983		220,170	
Cash at bank and in hand		20,500		175,574	
			149,272		411,644
Creditors: amounts falling due within one year	6	(498,037)		(471,755)	
Net current liabilities			(348,765)		(60,111)
Total assets less current liabilities			(144,759)		113,405
Creditors: amounts falling due after more than one year	7		(15,335)		(24,693)
Provisions for liabilities			(17,507)		(19,025)
Net (liabilities)/assets			(177,601)		69,687
Capital and reserves					
Called up share capital	8		3		3
Profit and loss reserves	9		(177,604)		69,684
Total equity			(177,601)		69,687

Granite City Plumbing And Heating Limited

Balance sheet (continued)

as at 28 February 2017

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 28 February 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 2 February 2018

S Wilson
Director

Company Registration No. SC316320

Granite City Plumbing and Heating Limited

Notes to the financial statements

for the year ended 28 February 2017

1 Accounting policies

Company information

Granite City Plumbing and Heating Limited is a private company limited by shares incorporated in Scotland. The registered office is 7 Anderson Avenue, Aberdeen, AB24 4LR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 28 February 2017 are the first financial statements of Granite City Plumbing and Heating Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 March 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the director has assessed future contracts and forecast liabilities and has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Granite City Plumbing and Heating Limited

Notes to the financial statements (continued)

for the year ended 28 February 2017

1 Accounting policies (continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	2% on cost
Leasehold improvements	3 years straight line & 2 years straight line
Plant and computer equipment	25% reducing balance
Office equipment	25% reducing balance
Computer equipment	Straight line over 3 years
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Granite City Plumbing and Heating Limited

Notes to the financial statements (continued)

for the year ended 28 February 2017

1 Accounting policies (continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Granite City Plumbing and Heating Limited

Notes to the financial statements (continued)

for the year ended 28 February 2017

1 Accounting policies (continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Granite City Plumbing and Heating Limited

Notes to the financial statements (continued)

for the year ended 28 February 2017

1 Accounting policies (continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 20 (2016 - 20).

3 Dividends

	2017	2016
	£	£
Interim paid	37,390	49,081

At the time the dividends were paid the director was not aware that there were insufficient profits available for distribution and the director acknowledges that no further distributions can be made until there are sufficient profits available for that purpose.

Granite City Plumbing and Heating Limited

Notes to the financial statements (continued) for the year ended 28 February 2017

4 Tangible fixed assets									
		Freehold property	Leasehold improvements	Plant and computer equipment	Office equipment	Computer equipment	Motor vehicles	Total	
	£	£	£	£	£	£	£	£	
Cost									
At 1 March 2016	40,390	45,992	30,920	8,390	31,535	105,975	263,202		
Additions	-	93,988	-	-	5,932	21,350	121,270		
Disposals	-	-	(4,499)	-	-	(6,900)	(11,399)		
At 28 February 2017	40,390	139,980	26,421	8,390	37,467	120,425	373,073		
Depreciation and impairment									
At 1 March 2016	4,848	3,143	12,162	4,315	20,511	44,708	89,687		
Depreciation charged in the year	808	47,709	4,286	1,019	11,700	20,246	85,768		
Eliminated in respect of disposals	-	-	(1,125)	-	-	(5,263)	(6,388)		
At 28 February 2017	5,656	50,852	15,323	5,334	32,211	59,691	169,067		
Carrying amount									
At 28 February 2017	34,734	89,128	11,098	3,056	5,256	60,734	204,006		
At 29 February 2016	35,542	42,849	18,758	4,075	11,024	61,267	173,516		

Granite City Plumbing and Heating Limited

Notes to the financial statements (continued)

for the year ended 28 February 2017

5 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	60,767	178,126
Amounts due from group undertakings	1,020	-
Other debtors	11,500	17,480
Prepayments and accrued income	23,696	24,564
	<u>96,983</u>	<u>220,170</u>

6 Creditors: amounts falling due within one year

	2017	2016
	£	£
Notes		
Bank loans and overdrafts	6,667	101
Obligations under finance leases	31,610	25,205
Trade creditors	133,788	137,863
Corporation tax	-	13,601
Other taxation and social security	316,104	284,988
Other creditors	5,100	1,850
Accruals and deferred income	4,768	8,147
	<u>498,037</u>	<u>471,755</u>

7 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Notes		
Bank loans and overdrafts	8,333	-
Obligations under finance leases	7,002	24,693
	<u>15,335</u>	<u>24,693</u>

Granite City Plumbing and Heating Limited

Notes to the financial statements (continued)

for the year ended 28 February 2017

8 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
3 Ordinary shares of £1 each	3	3
	<u>3</u>	<u>3</u>
	<u><u>3</u></u>	<u><u>3</u></u>

9 Profit and loss reserves

	2017	2016
	£	as restated £
At the beginning of the year	69,684	19,836
(Loss)/profit for the year	(209,898)	98,929
Dividends declared and paid in the year	(37,390)	(49,081)
	<u>(177,604)</u>	<u>69,684</u>
	<u><u>(177,604)</u></u>	<u><u>69,684</u></u>

Profit and loss reserves include all current and prior years retained profit and losses.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017	2016
	£	£
	38,611	49,897
	<u><u>38,611</u></u>	<u><u>49,897</u></u>

11 Prior period adjustment

During the year, it was identified that expenditure that was capital in nature was incorrectly recorded through the profit and loss account last year. The error, which amounted to £39,707, has therefore been corrected by way of a prior year adjustment and the reserves of the company have been adjusted accordingly.

Granite City Plumbing and Heating Limited

Notes to the financial statements (continued)

for the year ended 28 February 2017

11 Prior period adjustment (continued)

Changes to the balance sheet

	At 29 February 2016			As restated
	As previously reported	Adjustment at 1 Mar 2015	Adjustment at 29 Feb 2016	
	£	£	£	£
Fixed assets				
Tangible assets	133,809	39,707	-	173,516
	=====	=====	=====	=====
Capital and reserves				
Profit and loss	29,977	-	39,707	69,684
	=====	=====	=====	=====

Changes to the profit and loss account

	Period ended 29 February 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Administrative expenses	(355,646)	39,707	(315,939)
	=====	=====	=====
Profit for the financial period	59,222	39,707	98,929
	=====	=====	=====

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