

REGISTERED NUMBER: 01034375 (England and Wales)

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
SOVEREIGN CONSTRUCTION LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	4

SOVEREIGN CONSTRUCTION LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016**

DIRECTORS: S M Ward
E T Goodenough
P R Goodenough
R A Whichello

SECRETARY: Mrs J V Goodenough

REGISTERED OFFICE: Sovereign House
Avenue Lane
Eastbourne
East Sussex
BN21 3UL

REGISTERED NUMBER: 01034375 (England and Wales)

ACCOUNTANTS: Watson Associates (Professional Services) Limited
30 - 34 North Street
Hailsham
East Sussex
BN27 1DW

SOVEREIGN CONSTRUCTION LIMITED (REGISTERED NUMBER: 01034375)**BALANCE SHEET
31 DECEMBER 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	4	239,374	236,086
CURRENT ASSETS			
Stocks		476,470	526,470
Debtors	5	1,218,708	589,814
Cash at bank and in hand		58,764	319
		<u>1,753,942</u>	<u>1,116,603</u>
CREDITORS			
Amounts falling due within one year	6	<u>(1,515,345)</u>	<u>(924,122)</u>
NET CURRENT ASSETS		<u>238,597</u>	<u>192,481</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		477,971	428,567
CREDITORS			
Amounts falling due after more than one year	7	(54,227)	(50,423)
PROVISIONS FOR LIABILITIES		<u>(37,766)</u>	<u>(38,619)</u>
NET ASSETS		<u>385,978</u>	<u>339,525</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Retained earnings		<u>385,878</u>	<u>339,425</u>
SHAREHOLDERS' FUNDS		<u>385,978</u>	<u>339,525</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

BALANCE SHEET - continued
31 DECEMBER 2016

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 18 September 2017 and were signed on its behalf by:

S M Ward - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. STATUTORY INFORMATION

Sovereign Construction Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- at variable rates on reducing balance
Fixtures and fittings	- at variable rates on reducing balance
Motor vehicles	- at variable rates on reducing balance

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 12.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

4. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2016	40,000	32,985	73,354	398,031	544,370
Additions	-	-	395	38,475	38,870
Disposals	-	-	-	(10,000)	(10,000)
At 31 December 2016	<u>40,000</u>	<u>32,985</u>	<u>73,749</u>	<u>426,506</u>	<u>573,240</u>
DEPRECIATION					
At 1 January 2016	40,000	30,139	57,338	180,807	308,284
Charge for year	-	357	2,057	27,831	30,245
Eliminated on disposal	-	-	-	(4,663)	(4,663)
At 31 December 2016	<u>40,000</u>	<u>30,496</u>	<u>59,395</u>	<u>203,975</u>	<u>333,866</u>
NET BOOK VALUE					
At 31 December 2016	<u>-</u>	<u>2,489</u>	<u>14,354</u>	<u>222,531</u>	<u>239,374</u>
At 31 December 2015	<u>-</u>	<u>2,846</u>	<u>16,016</u>	<u>217,224</u>	<u>236,086</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	1,107,494	589,814
Other debtors	<u>111,214</u>	<u>-</u>
	<u>1,218,708</u>	<u>589,814</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Bank loans and overdrafts	-	100,964
Hire purchase contracts	27,978	39,011
Trade creditors	1,225,716	589,254
Taxation and social security	141,594	95,481
Other creditors	<u>120,057</u>	<u>99,412</u>
	<u>1,515,345</u>	<u>924,122</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
Hire purchase contracts	<u>54,227</u>	<u>50,423</u>

8. FIRST YEAR ADOPTION

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 December 2015. The date of transition to FRS 102 was 1 January 2016. No changes were required to the profit for the financial year ended 31 December 2015 or the total equity as at 1 January 2016 and 31 December 2015 between UK GAAP as previously reported and FRS 102.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. FIRST YEAR ADOPTION - continued

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.