Registration number: 01333821

Adstone Construction Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2016

Bissell & Brown Limited
Chartered Accountants
Charter House
56 High Street
Sutton Coldfield
West Midlands
B72 1UJ

Adstone Construction Limited

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Adstone Construction Limited

Company Information

Chairman	R G Stevens
Chief executive	J A Young
Directors	R G Stevens J A Young A L Stevens Mr I Young G Howson
Company secretary	A L Stevens
Registered office	Adstone House Wassage Way Hampett Lovett Ind Estate Worcestershire WR9 0NX
Accountants	Bissell & Brown Limited Chartered Accountants Charter House 56 High Street Sutton Coldfield West Midlands B72 1UJ

Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory Accounts of Adstone Construction Limited for the Year Ended 31 December 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Adstone Construction Limited for the year ended 31 December 2016 as set out on pages 3 to 12 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at http://www.icaew.com/en/members/regulations-standards-and-guidance.

This report is made solely to the Board of Directors of Adstone Construction Limited, as a body, in accordance with the terms of our engagement letter dated 6 March 2017. Our work has been undertaken solely to prepare for your approval the accounts of Adstone Construction Limited and state those matters that we have agreed to state to the Board of Directors of Adstone Construction Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Adstone Construction Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Adstone Construction Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Adstone Construction Limited. You consider that Adstone Construction Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Adstone Construction Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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Bissell & Brown Limited
Chartered Accountants
Charter House
56 High Street
Sutton Coldfield
West Midlands
B72 1UJ

21 June 2017

Adstone Construction Limited

(Registration number: 01333821)
Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	2,775,024	2,712,949
Current assets			
Stocks	6	147,500	267,583
Debtors	7	2,552,915	1,913,281
Cash at bank and in hand		1,168,553	853,214
		3,868,968	3,034,078
Creditors: Amounts falling due within one year	8	(1,923,251)	(1,265,947)
Net current assets		1,945,717	1,768,131
Total assets less current liabilities		4,720,741	4,481,080
Creditors: Amounts falling due after more than one year	8	(5,000)	(20,033)
Provisions for liabilities		(57,050)	-
Net assets		4,658,691	4,461,047
Capital and reserves			
Called up share capital		5,000	5,000
Revaluation reserve		1,694,982	1,694,982
Profit and loss account		2,958,709	2,761,065
Total equity		4,658,691	4,461,047

The notes on pages 5 to 12 form an integral part of these financial statements.

Adstone Construction Limited

(Registration number: 01333821)
Balance Sheet as at 31 December 2016

For the financial year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 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; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Directors Report or the Profit and Loss Account has been taken.

Approved and authorised by the Board on 21 June 2017 and signed on its behalf by:

.....

J A Young

Chief executive

1 General information

The company is a private company limited by share capital incorporated in England & Wales. The company's registration number is 01333821.

The address of its registered office is:
Adstone House
Wassage Way
Hampett Lovett Ind Estate
Worcestershire
WR9 0NX

These financial statements were authorised for issue by the Board on 21 June 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.
The company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.
The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.
The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land	not depreciated
Freehold Property	1% Straight line
Plant & Machinery	20% Straight line
Fixture & Fittings	20% Straight line
Motor Vehicles	20% Straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.
Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.
Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.
Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.
Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.
Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.
Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.
Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.
Debt instruments are subsequently measured at amortised cost.
Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.
Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.
Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.
For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.
Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

3 Staff numbers

The average number of persons employed (including directors) during the year, was 49 (2015 - 41).

4 Auditors' remuneration

	2016	2015
	£	£
Audit of the financial statements	-	9,500

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Plant and equipment £	Total £
Cost or valuation					
At 1 January 2016	2,600,000	68,484	191,337	1,617,974	4,477,795
Additions	-	13,765	72,305	49,691	135,761
Disposals	-	(6,740)	(40,807)	-	(47,547)
At 31 December 2016	2,600,000	75,509	222,835	1,667,665	4,566,009
Depreciation					
At 1 January 2016	26,000	46,506	101,537	1,590,803	1,764,846
Charge for the year	13,000	7,355	31,692	8,075	60,122
Eliminated on disposal	-	(6,740)	(27,243)	-	(33,983)
At 31 December 2016	39,000	47,121	105,986	1,598,878	1,790,985
Carrying amount					
At 31 December 2016	2,561,000	28,388	116,849	68,787	2,775,024
At 31 December 2015	2,574,000	21,978	89,800	27,171	2,712,949

Included within the net book value of land and buildings above is £2,561,000 (2015 - £2,574,000) in respect of freehold land and buildings.

Revaluation

The fair value of the company's Land and Buildings was revalued on 21 September 2016 by an independent valuer.
The freehold property has been valued at open market value, based on vacant possession. The name and qualification of the independent valuer are Halls (Midlands) LLP of 1 Kings Court, Charles Hastings Way, Worcester, WR5 1JR, qualified surveyors professionally valued the freehold property.
Had this class of asset been measured on a historical cost basis, the carrying amount would have been £Nil (2015 - £686,997).

6 Stocks

	2016 £	2015 £
Raw materials and consumables	147,500	153,583
Work in progress	-	114,000
	147,500	267,583

7 Debtors

	2016 £	2015 £
Trade debtors	2,474,580	1,795,374
Other debtors	2,326	53,747
Prepayments	76,009	64,160
Total current trade and other debtors	2,552,915	1,913,281

8 Creditors

	Note	2016 £	2015 £
Due within one year			
Loans and overdrafts	8.1	449,012	345,261
Trade creditors		1,244,137	774,232
Taxation and social security		97,055	73,023
Other creditors		53,466	6,692
Accrued expenses		79,436	66,595
Corporation tax liability		145	144
		1,923,251	1,265,947
Due after one year			
Loans and borrowings	8.1	5,000	20,033

8.1 Loans and borrowings

	2016 £	2015 £
Current loans and borrowings		
Bank overdrafts	4,068	-
Finance lease liabilities	10,050	16,250
Other borrowings	434,894	329,011
	449,012	345,261

	2016 £	2015 £
Non-current loans and borrowings		
Finance lease liabilities	5,000	20,033

9 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary of £1 each	5,000	5,000	5,000	5,000

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:
Holders of the ordinary share capital have a right to vote and receive dividends.

10 Dividends

Final dividends paid

	2016 £	2015 £
Final dividend of £32.35 (2015 - £0) per each Dividends share	161,766.00	-

11 Related party transactions

Transactions with directors

Directors' remuneration

The directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration	188,425	178,765
Contributions paid to money purchase schemes	13,341	13,474
	201,766	192,239

In respect of the highest paid director:

	2016 £	2015 £
Remuneration	82,882	78,920
Company contributions to money purchase pension schemes	5,020	5,020

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.