

Company Number: 1817439

Carmac (Building and Civil Engineering) Limited

Directors' Report and Financial Statements

for the Year Ended 30 June 2011



Carmac (Building and Civil Engineering) Limited
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Carmac (Building and Civil Engineering) Limited
Company Information

Directors	R McGowan T McGowan A Morris I Finnie
Company secretary	T McGowan
Registered office	Burton Road Finedon Northamptonshire NN9 5HZ
Bankers	Yorkshire Bank 35 Sheep Street Wellingborough Northamptonshire NN8 1BS
Auditors	Hawsons Chartered Accountants Jubilee House 32 Duncan Close Moulton Park Northampton NN3 6WL

Carmac (Building and Civil Engineering) Limited

Directors' Report for the Year Ended 30 June 2011

The directors present their report and the financial statements for the year ended 30 June 2011

Principal activity

The principal activity of the company is building and civil engineering work

Statement of directors responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors 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 period. In preparing these financial statements, the directors are required to

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

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Directors of the company

The directors who held office during the year were as follows

R McGowan

T McGowan

A Morris

I Finnie

Dividends

Interim dividends of £208,750 (2010: £167,000) were paid in respect of the financial year ended 30 June 2011

Business review

Fair review of the business

The directors consider that the key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and gross margin. The turnover and gross profit are shown within the profit and loss account.

Other key financial performance indicators considered by the directors are the profitability of each individual contract at each valuation stage and the level of trade debtors in comparison to turnover.

Principal risks and uncertainties

The company's principal financial risks are in trade debtors and contract profitability. The amounts presented in the balance sheet for trade debtors are net of provisions for doubtful debts. The company manages its credit risk through close monitoring of trade debtors and ongoing liaison with its customers. It also seeks to reduce dependency on any one customer.

Carmac (Building and Civil Engineering) Limited
Directors' Report for the Year Ended 30 June 2011

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Disclosure of information to the auditors

The directors of the company who held office at the date of the approval of this Annual Report as set out above each confirm that

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Approved by the Board and signed on its behalf by



T McGowan
Director

9 March 2012

Independent Auditor's Report to the Members of Carmac (Building and Civil Engineering) Limited

We have audited the financial statements of Carmac (Building and Civil Engineering) Limited for the year ended 30 June 2011, set out on pages 6 to 18. 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 members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors responsibilities (set out on page 2), the directors are 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 (APB'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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2011 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
Carmac (Building and Civil Engineering) Limited**

..... *continued*

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


Richard Burkimsher
Senior Statutory Auditor

For and on behalf of Hawsons Chartered Accountants
Statutory Auditor
Jubilee House
32 Duncan Close
Moulton Park
Northampton
NN3 6WL

9 March 2012

Carmac (Building and Civil Engineering) Limited
Profit and Loss Account for the Year Ended 30 June 2011

	Note	2011 £	2010 £
Turnover		11,734,050	11,341,588
Cost of sales		<u>(9,843,444)</u>	<u>(9,659,935)</u>
Gross profit		1,890,606	1,681,653
Administrative expenses		<u>(1,736,548)</u>	<u>(1,623,758)</u>
Operating profit	2	154,058	57,895
Other interest receivable and similar income		643	868
Interest payable and similar charges	5	<u>(14,101)</u>	<u>(19,949)</u>
Profit on ordinary activities before taxation		140,600	38,814
Tax on profit on ordinary activities	6	<u>(26,584)</u>	<u>(8,107)</u>
Profit for the financial year	14	<u><u>114,016</u></u>	<u><u>30,707</u></u>

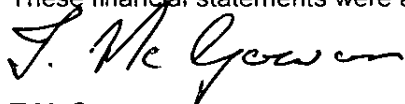
Turnover and operating profit derive wholly from continuing operations

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

Carmac (Building and Civil Engineering) Limited
(Registration number: 1817439)
Balance Sheet at 30 June 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible fixed assets	8	<u>772,232</u>	<u>815,140</u>
Current assets			
Debtors	9	2,688,441	2,710,549
Cash at bank and in hand		<u>81,144</u>	<u>61,274</u>
		2,769,585	2,771,823
Creditors Amounts falling due within one year	10	<u>(2,370,022)</u>	<u>(2,344,450)</u>
Net current assets		<u>399,563</u>	<u>427,373</u>
Total assets less current liabilities		1,171,795	1,242,513
Creditors Amounts falling due after more than one year	11	(113,618)	(87,925)
Provisions for liabilities	12	<u>(84,062)</u>	<u>(85,739)</u>
Net assets		<u>974,115</u>	<u>1,068,849</u>
Capital and reserves			
Called up share capital	13	50,004	50,004
Profit and loss account	14	<u>924,111</u>	<u>1,018,845</u>
Shareholders' funds	15	<u>974,115</u>	<u>1,068,849</u>

These financial statements were approved and authorised for issue by the Board and signed on its behalf by



T McGowan
Director

9 March 2012

Carmac (Building and Civil Engineering) Limited
Cash Flow Statement for the Year Ended 30 June 2011

Reconciliation of operating profit to net cash flow from operating activities

	2011 £	2010 £
Operating profit	154,058	57,895
Depreciation, amortisation and impairment charges	225,562	238,562
Profit on disposal of fixed assets	(32,403)	(16,500)
Decrease/(increase) in debtors	22,108	(361,142)
Increase in creditors	7,468	449,688
Net cash inflow from operating activities	<u>376,793</u>	<u>368,503</u>

Cash flow statement

	2011 £	2010 £
Net cash inflow from operating activities	<u>376,793</u>	<u>368,503</u>
Returns on investments and servicing of finance		
Interest received	643	868
HP and finance lease interest	(13,925)	(19,683)
Interest paid	(176)	(266)
	<u>(13,458)</u>	<u>(19,081)</u>
Taxation paid	<u>(12,261)</u>	<u>(15,498)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(144,101)	(86,473)
Sale of tangible fixed assets	102,700	40,000
	<u>(41,401)</u>	<u>(46,473)</u>
Equity dividends paid	<u>(208,750)</u>	<u>(167,000)</u>
Net cash inflow before management of liquid resources and financing	<u>100,923</u>	<u>120,451</u>
Financing		
Repayment of loans and borrowings	12,714	(632)
Repayment of capital element of finance leases and HP contracts	(93,767)	(117,587)
	<u>(81,053)</u>	<u>(118,219)</u>
Increase in cash	<u>19,870</u>	<u>2,232</u>

Carmac (Building and Civil Engineering) Limited
Cash Flow Statement for the Year Ended 30 June 2011

..... *continued*

Reconciliation of net cash flow to movement in net debt

	Note	2011 £	2010 £
Increase in cash		19,870	2,232
Cash (inflow)/outflow from repayment of loans		(12,714)	632
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>93,767</u>	<u>117,587</u>
Change in net debt resulting from cash flows	18	100,923	120,451
New finance leases		<u>(108,850)</u>	<u>(90,350)</u>
Movement in net debt	18	(7,927)	30,101
Net debt at 1 July	18	<u>(308,628)</u>	<u>(338,729)</u>
Net debt at 30 June	18	<u><u>(316,555)</u></u>	<u><u>(308,628)</u></u>

Carmac (Building and Civil Engineering) Limited
Notes to the Financial Statements for the Year Ended 30 June 2011

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts. Turnover and costs on contracts are recognised where the outcome of a contract is reasonably certain. Full provision is made for any losses on contracts at the point the loss is first foreseen.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold property	Straight line over revised useful life of 28 years
Plant and machinery	25% reducing balance
Motor vehicles	25% reducing balance
Office equipment	3 years straight line

Government grants

Grants in respect of capital expenditure are credited to fixed assets and deducted from the cost of the asset to which they relate.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Long term contracts

Long-term contracts are assessed on a contract by contract basis and are valued at cost less foreseeable losses less any applicable payments on account. A reasonable proportion of turnover and related costs are recognised in the profit and loss account where the outcome of a contract can be assessed with reasonable certainty.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted or substantially enacted at the balance sheet date.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital element of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Carmac (Building and Civil Engineering) Limited
Notes to the Financial Statements for the Year Ended 30 June 2011

..... continued

2 Operating profit

Operating profit is stated after charging

	2011 £	2010 £
Hire of plant and machinery	382,180	350,398
Auditor's remuneration - audit services	6,500	6,500
Profit on sale of tangible fixed assets	(32,403)	(16,500)
Depreciation of owned assets	<u>225,562</u>	<u>238,562</u>

3 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	2011 No.	2010 No.
Administration	9	8
Production	<u>62</u>	<u>64</u>
	<u>71</u>	<u>72</u>

The aggregate payroll costs were as follows

	2011 £	2010 £
Wages and salaries	2,316,372	2,232,657
Social security costs	72,570	64,981
Staff pensions	<u>4,926</u>	<u>4,808</u>
	<u>2,393,868</u>	<u>2,302,446</u>

Carmac (Building and Civil Engineering) Limited
Notes to the Financial Statements for the Year Ended 30 June 2011

..... continued

4 Directors' remuneration

The directors' remuneration for the year was as follows

	2011 £	2010 £
Directors' remuneration (including benefits in kind)	180,576	188,252
Company contributions paid to money purchase schemes	4,926	4,808

During the year the number of directors who were receiving benefits and share incentives was as follows

	2011 No	2010 No
Accruing benefits under money purchase pension scheme	4	4

5 Interest payable and similar charges

	2011 £	2010 £
Interest on bank borrowings	176	266
Finance charges	13,925	19,683
	14,101	19,949

6 Taxation

	2011 £	2010 £
Current tax		
Corporation tax charge	27,000	11,000
Adjustments in respect of previous years	1,261	-
UK Corporation tax	28,261	11,000
Deferred tax		
Credited to the profit and loss account	(1,677)	(2,893)
Total tax on profit on ordinary activities	26,584	8,107

Carmac (Building and Civil Engineering) Limited
Notes to the Financial Statements for the Year Ended 30 June 2011

.. continued

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2010 - higher than) the standard rate of corporation tax in the UK of 20 75% (2010 - 21%)

The differences are reconciled below

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>140,600</u>	<u>38,814</u>
Corporation tax at standard rate	29,174	8,151
Depreciation in excess of capital allowances	(3,549)	2,170
Expenses not deductible for tax purposes	1,103	616
Tax (over)/under provided in previous years	1,261	-
Other differences	<u>272</u>	<u>63</u>
Total current tax	<u><u>28,261</u></u>	<u><u>11,000</u></u>

7 Dividends

	2011 £	2010 £
Dividend paid on A Ordinary shares at £80,000 per share (2010 - £64,000 per share)	80,000	64,000
Dividend paid on B Ordinary shares at £48,750 per share (2010 - £39,000 per share)	48,750	39,000
Dividend paid on C Ordinary shares at £80,000 per share (2010 - £64,000 per share)	80,000	64,000
	<u><u>208,750</u></u>	<u><u>167,000</u></u>

Carmac (Building and Civil Engineering) Limited

Notes to the Financial Statements for the Year Ended 30 June 2011

..... continued

8 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 July 2010	2,168,767	457,257	50,841	2,676,865
Additions	207,850	42,200	2,901	252,951
Disposals	(172,757)	(74,014)	-	(246,771)
At 30 June 2011	<u>2,203,860</u>	<u>425,443</u>	<u>53,742</u>	<u>2,683,045</u>
Depreciation				
At 1 July 2010	1,498,024	315,270	48,431	1,861,725
Charge for the year	185,031	38,581	1,950	225,562
Eliminated on disposals	(118,314)	(58,160)	-	(176,474)
At 30 June 2011	<u>1,564,741</u>	<u>295,691</u>	<u>50,381</u>	<u>1,910,813</u>
Net book value				
At 30 June 2011	<u>639,119</u>	<u>129,752</u>	<u>3,361</u>	<u>772,232</u>
At 30 June 2010	<u>670,743</u>	<u>141,987</u>	<u>2,410</u>	<u>815,140</u>

Finance lease assets

Included within the net book value of tangible fixed assets is £314,363 (2010 - £166,915) in respect of assets held under finance lease agreements. Depreciation for the year on these assets was £66,369 (2010 - £55,638)

9 Debtors

	2011 £	2010 £
Trade debtors	321,567	207,472
Amounts recoverable on long term contracts	1,396,336	1,605,400
Other debtors	939,222	870,235
Prepayments and accrued income	<u>31,316</u>	<u>27,442</u>
	<u>2,688,441</u>	<u>2,710,549</u>

Carmac (Building and Civil Engineering) Limited
Notes to the Financial Statements for the Year Ended 30 June 2011

... .. *continued*

10 Creditors Amounts falling due within one year

	2011 £	2010 £
Trade creditors	1,728,587	1,751,023
Other loans	185,913	173,199
Obligations under finance lease and hire purchase contracts	98,168	108,778
Corporation tax	27,000	11,000
Other taxes and social security	71,526	59,304
Other creditors	129,343	116,850
Accruals and deferred income	129,485	124,296
	<u>2,370,022</u>	<u>2,344,450</u>

11 Creditors Amounts falling due after more than one year

	2011 £	2010 £
Obligations under finance lease and hire purchase contracts	<u>113,618</u>	<u>87,925</u>
Obligations under hire purchase contracts are secured against the assets to which the finance relates		

Maturation of borrowings

Amounts repayable

	2011 £	2010 £
In one year or less or on demand	284,081	281,977
Between one and two years	86,137	50,704
Between two and five years	<u>27,481</u>	<u>37,221</u>
	<u>397,699</u>	<u>369,902</u>

Carmac (Building and Civil Engineering) Limited
Notes to the Financial Statements for the Year Ended 30 June 2011

..... continued

12 Provisions

	Deferred tax £	Total £
At 1 July 2010	85,739	85,739
Origination and reversal of timing differences	(1,677)	(1,677)
At 30 June 2011	<u>84,062</u>	<u>84,062</u>

Analysis of deferred tax

	2011 £	2010 £
Difference between accumulated depreciation and amortisation and capital allowances	84,062	85,739
	<u>84,062</u>	<u>85,739</u>

13 Share capital

Allotted, called up and fully paid shares

	2011		2010	
	No	£	No.	£
Ordinary shares of £1 each	50,000	50,000	50,000	50,000
A Ordinary (non voting) share of £1 each	1	1	1	1
B Ordinary (non voting) share of £1 each	1	1	1	1
C Ordinary (non voting) share of £1 each	1	1	1	1
D Ordinary (non voting) share of £1 each	1	1	1	1
	<u>50,004</u>	<u>50,004</u>	<u>50,004</u>	<u>50,004</u>

14 Reserves

	Profit and loss account £	Total £
At 1 July 2010	1,018,845	1,018,845
Profit for the year	114,016	114,016
Dividends	(208,750)	(208,750)
At 30 June 2011	<u>924,111</u>	<u>924,111</u>

Carmac (Building and Civil Engineering) Limited
Notes to the Financial Statements for the Year Ended 30 June 2011

..... continued

15 Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Profit attributable to the members of the company	114,016	30,707
Dividends	<u>(208,750)</u>	<u>(167,000)</u>
Net reduction to shareholders' funds	(94,734)	(136,293)
Shareholders' funds at start of year	<u>1,068,849</u>	<u>1,205,142</u>
Shareholders' funds at end of year	<u><u>974,115</u></u>	<u><u>1,068,849</u></u>

16 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £4,926 (2010 - £4,808)

There were no outstanding or prepaid contributions at either the beginning or the end of the year

17 Commitments

Operating lease commitments

As at 30 June 2011 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2011 £	2010 £
Land and buildings		
Within one year	<u><u>40,000</u></u>	<u><u>40,000</u></u>

Carmac (Building and Civil Engineering) Limited
Notes to the Financial Statements for the Year Ended 30 June 2011

..... *continued*

18 Analysis of net debt

	At 1 July 2010 £	Cash flow £	Other non-cash changes £	At 30 June 2011 £
Cash at bank and in hand	61,274	19,870	-	81,144
Debt due within one year	(173,199)	(12,714)	-	(185,913)
Finance leases and hire purchase contracts	(196,703)	93,767	(108,850)	(211,786)
Net debt	<u>(308,628)</u>	<u>100,923</u>	<u>(108,850)</u>	<u>(316,555)</u>

19 Control

The company is controlled by T McGowan, R McGowan and A Morris who are directors of the company and between them own a majority of the called up ordinary share capital

20 Related party transactions

Other related party transactions

During the year the company made the following related party transactions

A loan of £216,000 was provided during 2008 by the wife of T McGowan, Mrs M McGowan. At the balance sheet date the amount due to Mrs M McGowan was £185,913 (2010 - £173,199)

Rent of £40,000 (2010 - £37,375) was paid to the Carmac (Building & Civil Engineering) Ltd Directors' Pension Scheme. T McGowan, Mrs M McGowan and R McGowan are all trustees and beneficiaries of the pension scheme. At the balance sheet date the amount due to the Scheme was £nil (2010 - £8,170)

During the year dividends of £80,000 (2010 - £64,000) were paid to T McGowan, £48,750 (2010 - £39,000) were paid to R McGowan and £80,000 (2010 - £64,000) were paid to A Morris

Directors' loan accounts

The following balances owed (to)/by the directors were outstanding at the period end

	2011 £	2010 £
A Morris	-	16,000
T McGowan	(6,474)	-
R McGowan	(5,153)	-
I Finnie	6,800	-
	<u>(4,827)</u>	<u>16,000</u>

No interest is charged in respect of these balances