

R G Carter Colchester Limited

Directors' report and financial statements
for the year ended 31 December 2012

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COMPANIES HOUSE

Company Information

Directors	NC Barbrook PD Burton SA Scott SD Humphrey
Company secretary	GWV Daniels
Company number	2113021
Registered office	9 - 11 High Road Drayton Norwich Norfolk NR8 6AH
Auditors	Baker Tilly UK LLP Statutory Auditor Chartered Accountants Abbotsgate House Hollow Road Bury St Edmunds Suffolk IP32 7FA

The directors present their report and the financial statements for the year ended 31 December 2012

Directors' responsibilities statement

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 then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

Principal activities

The principal activity of the Company is that of building and contracting

Business review

The Directors are disappointed to report a loss for the year However the Company has on hand a reasonable order book and the Directors are confident that a return to profitability can be achieved in the current financial year

The Directors use three main key performance indicators to monitor the financial position of the Company gross profit, net profit and cash flow generation The Directors are disappointed to report that, for all three, the Company has not achieved satisfactory results

The results for the year are set out in the profit and loss account on page 5 of the financial statements and the balance sheet, which shows the state of the Company's affairs as 31 December 2012, is presented on page 6

Results

The loss for the year, after taxation, amounted to £21,216 (2011 - loss £1,040,614)

Directors

The directors who served during the year were

TJ Leggett (resigned 26 February 2013)
NC Barbrook
PD Burton
SA Scott
SD Humphrey (appointed 2 January 2012)
PJ Foskett (resigned 26 February 2013)
RA Harrington (resigned 31 August 2012)

Principal risks and uncertainties

In common with other businesses, the Company aims to minimise financial risk. The measures used by the Directors to manage this risk include the preparation of profit and cash flow forecasts and regular monitoring of actual performance against these forecasts. Contracts are closely monitored to keep the risk of bad debts to a minimum.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

This report was approved by the board on 8 March 2013 and signed on its behalf

GWV Daniels
Secretary



Independent auditor's report to the member of R G Carter Colchester Limited

We have audited the financial statements on pages 5 to 16. 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 member 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 member those matters we are required to state to the member 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 member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 1, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss 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 member of R G Carter Colchester 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

Baker Tilly UK Audit LLP

CLAIRE SUTHERLAND (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Abbotsgate House, Hollow Road
Bury St Edmunds
Suffolk, IP32 7FA

Date 11 April 2013

**Profit and loss account
for the year ended 31 December 2012**

	Note	2012 £	2011 £
Turnover	1,2	20,921,690	26,419,326
Other external charges		(18,359,418)	(24,739,297)
Staff costs		(2,466,850)	(2,923,494)
Depreciation and amortisation		(105,756)	(149,528)
Operating loss	3	(10,334)	(1,392,993)
Interest receivable and similar income	6	12,282	10,008
Profit/(loss) on ordinary activities before taxation		1,948	(1,382,985)
Tax on profit/(loss) on ordinary activities	7	(23,164)	342,371
Loss for the financial year	15	(21,216)	(1,040,614)

All amounts relate to continuing operations

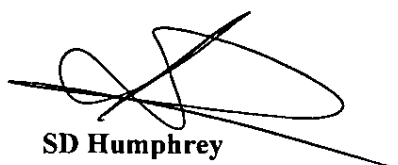
There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 7 to 16 form part of these financial statements

**Balance sheet
as at 31 December 2012**

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	8		575,354		679,961
Current assets					
Stocks	9	66,891		112,680	
Debtors amounts falling due after more than one year	10	2,000,000		2,000,000	
Debtors amounts falling due within one year	10	2,655,645		7,201,736	
Cash at bank		1,609,775		1,000,601	
		<u>6,332,311</u>		<u>10,315,017</u>	
Creditors: amounts falling due within one year	11	<u>(5,145,068)</u>		<u>(9,115,782)</u>	
Net current assets			<u>1,187,243</u>		<u>1,199,235</u>
Total assets less current liabilities			<u>1,762,597</u>		<u>1,879,196</u>
Creditors: amounts falling due after more than one year	12		<u>(17,302)</u>		<u>(112,685)</u>
Net assets			<u><u>1,745,295</u></u>		<u><u>1,766,511</u></u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	15		<u>1,745,195</u>		<u>1,766,411</u>
Shareholders' funds	16		<u><u>1,745,295</u></u>		<u><u>1,766,511</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 March 2013


SD Humphrey
Director

The notes on pages 7 to 16 form part of these financial statements

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Despite the result for the year the Company has sufficient financial resources to allow the directors to believe that the Company is well placed to manage its business risks successfully in the current economic climate. Accordingly, the directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

A cash flow statement has not been prepared as the directors have elected to take advantage of the exemption available to wholly owned subsidiary undertakings, as conferred by FRS1.

In accordance with the exemption available under paragraph 3(c) of FRS8, transactions with entities that are part of the RG Carter Group Limited are not disclosed. Copies of the consolidated financial statements are available from Companies House

1.2 Turnover

Turnover represents the value of work done and goods sold together with amounts receivable for services provided excluding value added tax

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Long term leasehold property	-	over the period of the lease
Plant & machinery	-	20% straight line
Motor vehicles	-	20% - 25% straight line
Office equipment	-	15% - 33% straight line
Computer equipment	-	25% - 33% straight line

1.4 Operating leases

Operating lease payments are written off as an expense when incurred

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value

Site huts and scaffolding are treated as trading stock items and are written down over a period of three years

1. Accounting policies (continued)

1.6 Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the Company anticipates to make sufficient profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

1.7 Long-term contracts

Contracts in progress are stated at prime cost plus contracting overheads, account being taken of profits accrued to date on long term contracts and provisions for losses, including estimated future losses, being deducted where appropriate

Contracts awarded since the year end but for which there has been prior agreement to tender are included in contracts in progress and, where appropriate, provisions have been made in respect of any losses anticipated on such contracts

Claims receivable arising on contracts are normally taken to profit when agreed and paid

Progress payments received and receivable attributable to the value of contracts are deducted in presenting the amounts recoverable on contracts in the financial statements. Progress payments and amounts in excess of contract values are stated separately

1.8 Pensions

The Company participates in the RG Carter Limited and Associated Companies Pension Fund. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the Group. The Company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme.

The Group also operates a defined contribution pension scheme. The costs are charged to the profit and loss account as incurred.

2. Turnover

All turnover arose within the United Kingdom and was derived from building and contracting

Notes to the financial statements
for the year ended 31 December 2012

3. Operating loss

The operating loss is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets - owned by the company	105,756	149,528
Auditors' remuneration	17,950	13,500
Plant hire	468,024	645,439
Other operating leases	20,775	20,775
Profit on disposal of tangible fixed assets	(22,795)	(15,933)
	<u> </u>	<u> </u>

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	2,169,737	2,565,030
Social security costs	234,427	253,521
Other pension costs	62,686	104,943
	<u> </u>	<u> </u>
	2,466,850	2,923,494
	<u> </u>	<u> </u>

The average monthly number of employees, including the directors, during the year was as follows

2012 No.	2011 No.
<u> </u>	<u> </u>
65	78

5. Directors' remuneration

	2012 £	2011 £
Emoluments	299,056	429,591
	<u> </u>	<u> </u>

During the year retirement benefits were accruing to 3 directors (2011 - 3) in respect of defined benefit pension schemes

The highest paid director received remuneration of £66,856 (2011 - £108,315)

Notes to the financial statements
for the year ended 31 December 2012

6. Interest receivable

	2012 £	2011 £
Other interest receivable	<u>12,282</u>	<u>10,008</u>

Notes to the financial statements
for the year ended 31 December 2012

7. Taxation

	2012 £	2011 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge/(credit) on profit/loss for the year	11,610	(357,280)
Adjustments in respect of prior periods	(5,199)	-
Total current tax	<u>6,411</u>	<u>(357,280)</u>
Deferred tax		
Origination and reversal of timing differences	8,059	9,932
Effect of decreased tax rate on opening asset	3,789	4,977
Adjustments in respect of previous years	4,905	-
Total deferred tax (see note 13)	<u>16,753</u>	<u>14,909</u>
Tax on profit/loss on ordinary activities	<u><u>23,164</u></u>	<u><u>(342,371)</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 £	2011 £
Profit/loss on ordinary activities before tax	<u>1,948</u>	<u>(1,382,985)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	477	(366,491)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,119	3,538
Capital allowances for year in excess of depreciation	(4,150)	(3,194)
Adjustments to tax charge in respect of prior periods	(5,199)	-
Short term timing difference leading to an increase (decrease) in taxation	13,164	8,867
Current tax charge/(credit) for the year (see note above)	<u><u>6,411</u></u>	<u><u>(357,280)</u></u>

**Notes to the financial statements
for the year ended 31 December 2012**

8. Tangible fixed assets

	Long term leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 January 2012	628,912	268,012	691,447	258,750	1,847,121
Additions	-	760	15,551	6,007	22,318
Transfers intra group	-	-	(63,307)	(2,157)	(65,464)
Disposals	-	(51,601)	(113,642)	(15,085)	(180,328)
At 31 December 2012	628,912	217,171	530,049	247,515	1,623,647
Depreciation					
At 1 January 2012	183,641	258,767	487,437	237,315	1,167,160
Charge for the year	12,360	7,427	74,328	11,641	105,756
Transfers intra group	-	-	(43,143)	(1,152)	(44,295)
On disposals	-	(51,601)	(113,642)	(15,085)	(180,328)
At 31 December 2012	196,001	214,593	404,980	232,719	1,048,293
Net book value					
At 31 December 2012	432,911	2,578	125,069	14,796	575,354
At 31 December 2011	445,271	9,245	204,010	21,435	679,961

9. Stocks

	2012 £	2011 £
Trading stocks	66,891	112,680

**Notes to the financial statements
for the year ended 31 December 2012**

10. Debtors

	2012 £	2011 £
Due after more than one year		
Amounts owed by group undertakings	<u>2,000,000</u>	<u>2,000,000</u>
Due within one year		
Trade debtors	1,104,075	1,472,256
Amounts owed by group undertakings	604,243	4,200,028
Corporation tax recoverable	-	85,214
Other debtors	339,722	301,655
Prepayments and accrued income	65,523	91,278
Amounts recoverable on long term contracts	506,560	639,964
Group relief receivable	-	359,066
Deferred tax asset (see note 13)	35,522	52,275
	<u>2,655,645</u>	<u>7,201,736</u>

11. Creditors:**Amounts falling due within one year**

	2012 £	2011 £
Bank loans and overdrafts	-	582,460
Payments received on account	416,539	2,106,755
Trade creditors	2,272,304	5,004,605
Amounts owed to group undertakings	1,854,771	685,801
Corporation tax	11,610	-
Social security and other taxes	80,006	131,926
Other creditors	421,011	432,252
Accruals and deferred income	88,827	171,983
	<u>5,145,068</u>	<u>9,115,782</u>

The directors have revised the classification of certain amounts previously included in Trade Creditors as they are of the opinion that Other Creditors is a more appropriate classification. Accordingly the corresponding amounts for Trade and Other Creditors at 31 December 2011 have each been restated by £432,252 to reflect these changes. There is no effect on the total of creditors due within one year.

Notes to the financial statements
for the year ended 31 December 2012

12. Creditors:
Amounts falling due after more than one year

	2012 £	2011 £
Trade creditors	17,302	112,685

13. Deferred tax asset

	2012 £	2011 £
At beginning of year	52,275	67,184
Charged for year	(16,753)	(14,909)
At end of year	35,522	52,275

The deferred tax asset is made up as follows

	2012 £	2011 £
Accelerated capital allowances	19,652	34,592
Short term timing differences	15,870	17,683
	35,522	52,275

14. Share capital

	2012 £	2011 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

Notes to the financial statements
for the year ended 31 December 2012

15. Reserves

	Profit and loss account £
At 1 January 2012	1,766,411
Loss for the year	(21,216)
At 31 December 2012	<u>1,745,195</u>

16. Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	1,766,511	2,807,125
Loss for the year	(21,216)	(1,040,614)
Closing shareholders' funds	<u>1,745,295</u>	<u>1,766,511</u>

17. Contingent liabilities

The Group bank account is in the name of RG Carter Construction Group. As a result certain subsidiary undertakings have jointly and severally entered into a bank guarantee in respect of these overdraft facilities. There was no Group overdraft at 31 December 2012 (2011 £ nil).

Various subsidiary undertakings of the RG Carter Construction Group have entered into guarantees to certain other banks in respect of overdraft facilities for Companies within the RG Carter Construction Group, there were no overdrafts under these facilities at 31 December 2012 (2011 £ nil).

The Company was also contingently liable in respect of any claim which may arise out of performance bonds and other arrangements entered into in the ordinary course of business.

Under a Group registration the Company is jointly and severally liable for the value added tax with a fellow subsidiary undertaking. As 31 December 2012 there was no liability (2011 £ nil).

18. Pension commitments

The Company operates a defined benefit scheme, the RG Carter Limited and Associated Companies Pension Fund, that ceased future accrual with effect from 29 February 2012. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the Group. The Company is unable to identify its share of the underlying assets and liabilities of the scheme due to its multi-employer status and accordingly accounts for the scheme as if it were a defined contribution scheme.

Contributions to the scheme for the period were £ 8,646 (2011 £ 57,108).

As updated valuation of the scheme at 31 December 2012 indicated that the scheme was 61% funded (2011 67%). This valuation has measured scheme assets at fair value and scheme liabilities are measured on an actuarial basis using the projected unit method.

The Group also operates a defined contribution pension scheme for certain designated site and staff positions. The assets are held independently from those of the Group in individual members' funds. The Company's contributions charged for the year to 31 December 2012 were £ 54,040 (2011 £ 47,835).

19. Ultimate parent undertaking and controlling party

The parent undertaking of R G Carter Colchester Limited is RG Carter Southern Limited and the ultimate parent undertaking is RG Carter Group Limited, both of which are incorporated in England and Wales. The ultimate controlling party is Mr RG Carter.