

COMPANIES HOUSE

Registration number 03669621

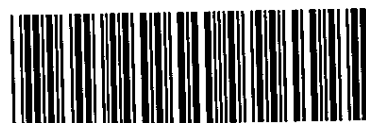
Opec Construction Plc

Directors' Report and Financial Statements

for the Year Ended 31 March 2012

KRW Accountants Ltd
Registered Auditors
Home Ground Barn
Pury Hill Business Park
Towcester
NN12 7LS

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COMPANIES HOUSE

Opec Construction Plc

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Opec Construction Plc
Company Information

Directors Mr Frederick Gordon Rogers
Mrs Janice Dorell Ann Rogers

Company secretary Mrs Janice Dorell Ann Rogers

Registered office Home Ground Barn
Pury Hill Business Park
Alderton Road
Towcester
Northants
NN12 7LS

Auditors KRW Accountants Ltd
Registered Auditors
Home Ground Barn
Pury Hill Business Park
Towcester
NN12 7LS

Opec Construction Plc
Directors' Report for the Year Ended 31 March 2012

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

Directors of the company

The directors who held office during the year were as follows

Mr Frederick Gordon Rogers

Mrs Janice Dorell Ann Rogers

Principal activity

The principal activity of the company is that of office refurbishments

Business review

Fair review of the business

The company has experienced a good year of recovery, and this is reflected in the financial results. The Directors have managed to achieve higher margins on work performed, which has improved the profitability of the business.

The company's key financial and other performance indicators during the year were as follows

	Unit	2012	2011
Turnover	£	2,258,850	2,024,365
Turnover growth	%	12	26
Gross profit margin	%	20	9
Profit before tax	£	86,232	(105,883)

Principal risks and uncertainties

The company is reliant on a small number of key customers and the Directors are well aware of the risk this brings and are trying to secure new customers and contracts for the future. They have expanded the area in which they will undertake work and have been successful in securing contracts abroad.

The recession also poses a significant risk as the company's core business is that of office refurbishment works for large companies which are often put off when businesses are cutting back costs in the prevailing economic climate. To address this risk the Directors have secured other construction works including maintenance contracts and smaller repair work, to ensure that they are not totally reliant on refurbishment and other large scale construction projects.

Financial instruments

Objectives and policies

The company manages financial risk by maintaining bank balances and by only using the overdraft facility as a back-up rather than utilising it to fund day-to-day trading activities. In addition the company has no external borrowings.

Directors' salaries are maintained at modest levels with additional monies paid out as dividends where profits allow. As a result the company is able to manage fluctuating profits.

Opec Construction Plc
Directors' Report for the Year Ended 31 March 2012

..... continued

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors, unsecured loans to the business and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the availability of an overdraft at floating rates of interest if required. All of the business' cash balances are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning opening new customer accounts and providing credit and the regular monitoring of amounts outstanding. The amounts presented in the balance sheet are shown after allowing for any doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The business is a lessee in respect of certain assets under finance leases. The liquidity risk of these is managed by ensuring that there are sufficient funds to meet the payments.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the Board on 25 September 2012 and signed on its behalf by



Mr Frederick Gordon Rogers
Director

Opec Construction Plc

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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.

Independent Auditor's Report to the Members of Opec Construction Plc

We have audited the financial statements of Opec Construction Plc for the year ended 31 March 2012, set out on pages 7 to 20. 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 4), 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 31 March 2012 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
Opec Construction Plc**

..... 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



Keith Witchell, ACA (Senior Statutory Auditor)
For and on behalf of KRW Accountants Ltd, Statutory Auditor

Home Ground Barn
Pury Hill Business Park
Towcester
NN12 7LS

Date *25/09/12*

Opec Construction Plc
Profit and Loss Account for the Year Ended 31 March 2012

	Note	2012 £	2011 £
Turnover	2	2,258,850	2,024,565
Cost of sales		<u>(1,811,243)</u>	<u>(1,838,393)</u>
Gross profit		447,607	186,172
Administrative expenses		(360,823)	(308,685)
Other operating income		<u>-</u>	<u>16,913</u>
Operating profit/(loss)	3	86,784	(105,600)
Other interest receivable and similar income	7	26	-
Interest payable and similar charges	8	<u>(578)</u>	<u>(283)</u>
Profit/(loss) on ordinary activities before taxation		86,232	(105,883)
Tax on profit/(loss) on ordinary activities	9	<u>(22,069)</u>	<u>12,918</u>
Profit/(loss) for the financial year	17	<u><u>64,163</u></u>	<u><u>(92,965)</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

Opec Construction Plc
(Registration number: 03669621)
Balance Sheet at 31 March 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible fixed assets	10	<u>21,017</u>	<u>11,660</u>
Current assets			
Debtors	11	419,912	258,933
Cash at bank and in hand		<u>95,009</u>	<u>172,750</u>
		514,921	431,683
Creditors Amounts falling due within one year	12	<u>(433,103)</u>	<u>(331,321)</u>
Net current assets		<u>81,818</u>	<u>100,362</u>
Total assets less current liabilities		102,835	112,022
Creditors Amounts falling due after more than one year	13	(7,735)	-
Provisions for liabilities	14	<u>(4,023)</u>	-
Net assets		<u><u>91,077</u></u>	<u><u>112,022</u></u>
Capital and reserves			
Called up share capital	15	50,000	50,000
Profit and loss account	17	<u>41,077</u>	<u>62,022</u>
Shareholders' funds		<u><u>91,077</u></u>	<u><u>112,022</u></u>

Approved by the Board on 25 September 2012 and signed on its behalf by



Mr Frederick Gordon Rogers
Director

Opec Construction Plc
Cash Flow Statement for the Year Ended 31 March 2012

	2012 £	2011 £
Net cash inflow from operating activities	<u>8,699</u>	<u>54,936</u>
Returns on investments and servicing of finance		
Interest received	26	-
HP and finance lease interest	<u>(578)</u>	<u>(283)</u>
	<u>(552)</u>	<u>(283)</u>
Taxation received/(paid)	<u>6,543</u>	<u>(6,543)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(10,129)	(6,059)
Sale of tangible fixed assets	<u>6,600</u>	<u>-</u>
	<u>(3,529)</u>	<u>(6,059)</u>
Equity dividends paid	<u>(85,108)</u>	<u>-</u>
Net cash (outflow)/inflow before management of liquid resources and financing	<u>(73,947)</u>	<u>42,051</u>
Financing		
Repayment of capital element of finance leases and HP contracts	<u>(3,794)</u>	<u>(3,384)</u>
(Decrease)/increase in cash	<u><u>(77,741)</u></u>	<u><u>38,667</u></u>

Opec Construction Plc
Cash Flow Statement for the Year Ended 31 March 2012

..... *continued*

Reconciliation of net cash flow to movement in net debt

	Note	2012 £	2011 £
(Decrease)/increase in cash		(77,741)	40,163
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		3,794	3,384
Change in net debt resulting from cash flows	19	(73,947)	43,547
New finance leases		(12,594)	-
Movement in net debt	19	(86,541)	43,547
Net funds at 1 April	19	169,650	126,103
Net funds at 31 March	19	83,109	169,650

Reconciliation of operating profit/loss to net cash flow from operating activities

	2012 £	2011 £
Operating profit/(loss)	86,784	(105,600)
Depreciation, amortisation and impairment charges	8,664	4,651
Profit on disposal of fixed assets	(1,898)	-
(Increase)/decrease in debtors	(173,416)	130,434
Increase in creditors	88,565	25,451
Net cash inflow from operating activities	8,699	54,936

Cash flow statement

Opec Construction Plc
Notes to the Financial Statements for the Year Ended 31 March 2012

1 Accounting policies

Basis of preparation

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

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

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

Asset class	Depreciation method and rate
Motor vehicles	25% reducing balance
Office equipment	25% straight line

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

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 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, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Opec Construction Plc

Notes to the Financial Statements for the Year Ended 31 March 2012

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Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

2 Turnover

An analysis of turnover by class of business is given below

	2012 £	2011 £
Business segment 1	2,258,850	1,872,497
Business segment 2	-	152,068
	<u>2,258,850</u>	<u>2,024,565</u>

3 Operating profit/(loss)

Operating profit/(loss) is stated after charging

	2012 £	2011 £
Operating leases - other assets	8,764	35,209
Profit on sale of tangible fixed assets	(1,898)	-
Depreciation of owned assets	8,664	4,651
Auditor's remuneration	<u>8,400</u>	<u>12,017</u>

4 Auditor's remuneration

	2012 £	2011 £
Audit of the financial statements	6,500	7,500
Other fees to auditors		
Other services	<u>1,900</u>	<u>4,517</u>
	<u>8,400</u>	<u>12,017</u>

Opec Construction Plc

Notes to the Financial Statements for the Year Ended 31 March 2012

..... *continued*

5 Particulars of employees

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

	2012 No.	2011 No.
Administration and support	4	4
Production	3	3
	<u>7</u>	<u>7</u>

The aggregate payroll costs were as follows

	2012 £	2011 £
Wages and salaries	247,664	217,567
Social security costs	27,999	22,447
	<u>275,663</u>	<u>240,014</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows

	2012 £	2011 £
Remuneration (including benefits in kind)	<u>120,018</u>	<u>79,819</u>

7 Other interest receivable and similar income

	2012 £	2011 £
Other interest receivable	<u>26</u>	<u>-</u>

8 Interest payable and similar charges

	2012 £	2011 £
Finance charges	<u>578</u>	<u>283</u>
	<u>578</u>	<u>283</u>

Opec Construction Plc

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

9 Taxation

Tax on profit/(loss) on ordinary activities

	2012 £	2011 £
Current tax		
Corporation tax charge/(credit)	12,152	(6,543)
Deferred tax		
Origination and reversal of timing differences	9,917	(6,375)
Total tax on profit/(loss) on ordinary activities	22,069	(12,918)

Factors affecting current tax charge for the year

Tax on profit/(loss) on ordinary activities for the year is lower than (2011 - higher than) the standard rate of corporation tax in the UK of 20% (2011 - 21%)

The differences are reconciled below

	2012 £	2011 £
Profit/(loss) on ordinary activities before taxation	86,232	(105,883)
Corporation tax at standard rate	17,246	(22,235)
Capital allowances in excess of depreciation	(2,965)	(630)
Expenses not deductible for tax purposes	4,823	9,023
Tax losses carried forward	-	7,299
Utilisation of tax losses brought forward	(6,952)	-
Total current tax	12,152	(6,543)

Opec Construction Plc

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

10 Tangible fixed assets

	Motor vehicles £	Office equipment £	Total £
Cost or valuation			
At 1 April 2011	11,150	28,331	39,481
Additions	20,194	2,529	22,723
Disposals	(11,150)	-	(11,150)
At 31 March 2012	<u>20,194</u>	<u>30,860</u>	<u>51,054</u>
Depreciation			
At 1 April 2011	6,448	21,373	27,821
Charge for the year	5,049	3,615	8,664
Eliminated on disposals	(6,448)	-	(6,448)
At 31 March 2012	<u>5,049</u>	<u>24,988</u>	<u>30,037</u>
Net book value			
At 31 March 2012	<u>15,145</u>	<u>5,872</u>	<u>21,017</u>
At 31 March 2011	<u>4,702</u>	<u>6,958</u>	<u>11,660</u>

11 Debtors

	2012 £	2011 £
Trade debtors	112,010	44,448
Amounts recoverable on long term contracts	130,488	50,019
Other debtors	148,652	68,140
Deferred tax	-	5,894
Directors' current accounts	5,857	85,107
Prepayments and accrued income	<u>22,905</u>	<u>5,325</u>
	<u>419,912</u>	<u>258,933</u>

Opec Construction Plc
Notes to the Financial Statements for the Year Ended 31 March 2012

..... *continued*

Debtors includes £nil (2011 - £nil) receivable after more than one year

This can be analysed as follows

2012 £	2011 £
<u> </u>	<u> </u>

12 Creditors Amounts falling due within one year

	2012 £	2011 £
Trade creditors	290,786	160,224
Obligations under finance lease and hire purchase contracts	4,165	3,100
Corporation tax	12,152	-
Other taxes and social security	31,607	45,691
Other creditors	14,152	10,209
Accruals and deferred income	80,241	112,097
	<u>433,103</u>	<u>331,321</u>

13 Creditors Amounts falling due after more than one year

	2012 £	2011 £
Obligations under finance lease and hire purchase contracts	<u>7,735</u>	<u>-</u>

Opec Construction Plc

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

Obligations under finance leases and HP contracts

Amounts repayable

	2012 £	2011 £
In one year or less on demand	4,165	3,100
Between one and two years	7,735	-
	<u>11,900</u>	<u>3,100</u>

14 Provisions

	Deferred tax £	Total £
At 1 April 2011	(5,894)	(5,894)
Charged to the profit and loss account	9,917	9,917
At 31 March 2012	<u>4,023</u>	<u>4,023</u>

Analysis of deferred tax

	2012 £	2011 £
Difference between accumulated depreciation and amortisation and capital allowances	4,023	1,058
Tax losses available	-	(6,952)
	<u>4,023</u>	<u>(5,894)</u>

15 Share capital

Allotted, called up and fully paid shares

	2012		2011	
	No.	£	No.	£
Ordinary of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

Opec Construction Plc

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

16 Dividends

	2012 £	2011 £
Dividends paid		
Current year interim dividend paid	<u>85,108</u>	<u>-</u>

17 Reserves

	Profit and loss account £	Total £
At 1 April 2011	62,022	62,022
Profit for the year	64,163	64,163
Dividends	<u>(85,108)</u>	<u>(85,108)</u>
At 31 March 2012	<u>41,077</u>	<u>41,077</u>

18 Commitments

Operating lease commitments

As at 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2012 £	2011 £
Land and buildings		
Within two and five years	<u>7,917</u>	<u>-</u>

19 Analysis of net debt

	At 1 April 2011 £	Cash flow £	Other non-cash changes £	At 31 March 2012 £
Cash at bank and in hand	172,750	(73,947)	-	95,009
Finance leases and hire purchase contracts	(3,100)	3,794	(12,594)	(11,900)

Opec Construction Plc

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

Net funds	169,650	(70,153)	(12,594)	83,109
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20 Related party transactions

Directors' advances and credits

	2012 Advance/ Credit £	2012 Repaid £	2011 Advance/ Credit £	2011 Repaid £
Mr Frederick Gordon Rogers				
Amounts withdrawn during the period	12,081	12,081	32,870	32,870
Private healthcare paid by company	1,586	1,586	1,721	1,721
Personal expenses met by the company	14,468	11,540	73,051	30,649
Amounts repaid during the period	-	42,554	-	-
	<u>28,136</u>	<u>67,761</u>	<u>107,642</u>	<u>65,239</u>
Mrs Janice Dorell Ann Rogers				
Amounts withdrawn during the period	12,081	12,081	32,870	32,870
Private healthcare paid by company	1,586	1,586	1,721	1,721
Personal expenses met by the company	14,468	11,540	73,051	30,649
Amounts repaid within the period	-	42,554	-	-
	<u>28,136</u>	<u>67,761</u>	<u>107,642</u>	<u>65,239</u>

Other related party transactions

During the year the company made the following related party transactions

Opec Contractors Limited

(a company under common control and Directorship)

During the year the company purchased services totalling £15,713 (2011 £Nil) from, and re-charged expenses totalling £5,364 (2011 £Nil) to, Opec Contractors Limited

In addition, Opec Contractors Limited repaid a previous loan of £30,000, and then borrowed a further £73,831 from the company (2011 Opec Contractors repaid a previous loan of £8,045) These loans are interest free with no fixed date of repayment At the balance sheet date the amount due from Opec Contractors Limited was £73,831 (2011 £30,000)

At the balance sheet date the amount due from Opec Contractors Limited was £73,831 (2011 - £30,000)

Opec Managed Services Limited

(a company under common control and Directorship)

During the year a loan was made to Opec Managed Services Limited At the balance sheet date the amount due to Opec Managed Services Limited was £30,000 (2011 £Nil) At the balance sheet date the amount due from/(to) Opec Managed Services Limited was £30,000 (2011 - £Nil)

Opec Construction Plc

Notes to the Financial Statements for the Year Ended 31 March 2012

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Opec Pension Fund

(a pension fund in which Mr F G Rogers is a beneficiary)

The company's previous trading premises is owned by the Opec Pension Fund. During the year the company did not pay any rent to the pension fund (2011 £30,208). At the balance sheet date the amount due to Opec Pension Fund was £44,612 (2011 £44,612). At the balance sheet date the amount due to Opec Pension Fund was £44,612 (2011 - £44,612).

Mr Louis Rogers

(an employee of the company and the son of the Directors)

During the year further monies were loaned to Mr Louis Rogers by the company. At the balance sheet date the amount due from Mr Louis Rogers was £13,238 (2011 £5,946). At the balance sheet date the amount due from Mr Louis Rogers was £13,238 (2011 - £5,946).

Dividends

(Dividends paid to the Directors)

In the year dividends of £85,108 (2011 £Nil) were paid to the Directors. At the balance sheet date the amount due to Dividends was £nil (2011 - £nil).

21 Control

The company is controlled by the directors who own 100% of the called up share capital.