

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

PAGES FOR FILING WITH REGISTRAR



COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

COMPANY INFORMATION

Directors	Mr G D Lloyd M A Rees I P Stacey
Secretary	M A Rees
Company number	04436021
Registered office	5 Pullman Court Great Western Road Gloucester Gloucestershire GL1 3ND
Auditor	Baldwins Audit Services Limited Churchill House 59 Lichfield Street Walsall West Midlands WS4 2BX
Business address	Chosen View Road Kingsditch Trading Estate Cheltenham Gloucestershire GL51 9LT
Bankers	Lloyds Bank Plc 130 High Street Cheltenham Gloucestershire GL50 1EW

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 11

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

BALANCE SHEET

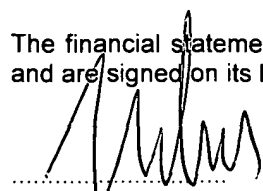
AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	4		103,776		126,912
Current assets					
Stocks		207,285		219,749	
Debtors	5	773,050		840,747	
Cash at bank and in hand		64,393		73,103	
		<u>1,044,728</u>		<u>1,133,599</u>	
Creditors: amounts falling due within one year	6	<u>(753,211)</u>		<u>(783,984)</u>	
Net current assets			291,517		349,615
Total assets less current liabilities			395,293		476,527
Creditors: amounts falling due after more than one year	7		(46,671)		(71,103)
Provisions for liabilities			(13,117)		(19,727)
Net assets			<u>335,505</u>		<u>385,697</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves			335,405		385,597
Total equity			<u>335,505</u>		<u>385,697</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 24/11/17 and are signed on its behalf by:



M A Rees
Director

Company Registration No. 04436021

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Company information

County Building Supplies (Cheltenham) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5 Pullman Court, Great Western Road, Gloucester, Gloucestershire, GL1 3ND.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Auditor's remuneration

	2017	2016
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	6,995	6,995

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 19 (2016 - 17).

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 July 2016	182,338
Additions	19,750
Disposals	(2,500)
At 30 June 2017	199,588
Depreciation and impairment	
At 1 July 2016	55,426
Depreciation charged in the year	41,532
Eliminated in respect of disposals	(1,146)
At 30 June 2017	95,812
Carrying amount	
At 30 June 2017	103,776
At 30 June 2016	126,912

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	496,356	587,729
Amounts due from group undertakings	204,523	186,164
Other debtors	72,171	66,854
	773,050	840,747

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Obligations under finance leases	24,431	30,994
Other borrowings	322,673	348,848
Trade creditors	351,551	333,740
Corporation tax	-	10,154
Other taxation and social security	28,840	38,557
Accruals and deferred income	25,716	21,691
	<u>753,211</u>	<u>783,984</u>

Other borrowings relates entirely to advances under an invoice discounting arrangement which is secured by a fixed and floating charge over all book and other debts of the company.

7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Obligations under finance leases	<u>46,671</u>	<u>71,103</u>

Obligations under hire purchase contracts and finance leases are secured by related assets.

8 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary of £1 each	<u>100</u>	<u>100</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Mark Handscombe.

The auditor was Baldwins Audit Services Limited.

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2017 £	2016 £
50,753	42,289
<u>50,753</u>	<u>42,289</u>

11 Financial commitments, guarantees and contingent liabilities

The company has given guarantees to its bankers in respect of facilities provided to related companies. The contingent liability at 30 June 2017 is £1,112,278 (2016: £832,535).

12 Related party transactions

Remuneration of key management personnel

	2017 £	2016 £
Aggregate compensation	69,397	67,690
	<u>69,397</u>	<u>67,690</u>

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

12 Related party transactions

(Continued)

During the year the company had the following transactions with County Building Supplies Limited, County Building Supplies (Evesham) Limited, County Building Supplies (Droitwich) Limited, County Building Supplies (Nuneaton) Limited and County Building Supplies (Monmouth) Limited.

	2017 £	2016 £
Sales of goods	135,875	122,909
Purchase of goods	174,363	227,949
Rent paid	47,500	47,500
Management charges paid	89,205	103,450
Other expenses paid	89,126	68,446

At the year end the following balances were outstanding with related parties:-

	2017 £	2016 £
Trade creditor due to County Building Supplies Limited	39,005	28,413
Trade debtor due from County Building Supplies Limited	5,530	3,258
Loan due from County Building Supplies Limited	204,523	186,164
Trade creditor due to County Building Supplies (Evesham) Limited	9,963	5,678
Trade debtor due from County Building Supplies (Evesham) Limited	8,033	6,757
Loan due from County Building Supplies (Evesham) Limited	-	-
Trade creditor due to County Building Supplies (Droitwich) Limited	1,964	5,036
Trade debtor due from County Building Supplies (Droitwich) Limited	1,657	343
Trade creditor due to County Building Supplies (Monmouth) Limited	17	-
Trade debtor due from County Building Supplies (Monmouth) Limited	3,718	59
Trade creditor due to County Building Supplies (Monmouth) Limited	476	-
Trade debtor due from County Building Supplies (Nuneaton) Limited	901	605

County Building Supplies Limited, County Building Supplies (Evesham) Limited, County Building Supplies (Droitwich) Limited, County Building Supplies (Nuneaton) Limited and County Building Supplies (Monmouth) Limited are subsidiaries of County Building Supplies (Holdings) Limited of which MA Rees and GD Lloyd are directors and controlling shareholders.

An omnibus guarantee and set off agreement is in place to cover the bank overdrafts with Lloyds Bank plc in relation to the company and related companies County Building Supplies Limited, County Building Supplies (Evesham) Limited, County Building Supplies (Droitwich), County Building Supplies (Nuneaton) Limited, County Building Supplies (Monmouth) Limited, County Building Supplies (Holdings) Limited and County Building Supplies Group Limited. As at 30 June 2017 the contingent liability in respect of facilities provided to related companies is £1,112,278 (2016: £832,535).

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

12 Related party transactions

(Continued)

The Directors, MA Rees and GD Lloyd, have given a personal guarantee of £50,000 each as security relating to facilities advanced by Lloyds Bank Plc to the following companies, County Building Supplies Limited, County Building Supplies (Cheltenham) Limited, County Building Supplies (Evesham) Limited, County Building Supplies (Droitwich) Limited, County Building Supplies (Nuneaton) Limited, County Building Supplies (Monmouth) Limited and County Building Supplies (Holdings) Limited.

13 Control

The parent company is County Building Supplies (Holdings) Limited. .