

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2018



COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED
REGISTERED NUMBER:04436021

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	4	205,496	103,776
		<u>205,496</u>	<u>103,776</u>
CURRENT ASSETS			
Stocks	5	280,766	207,285
Debtors: amounts falling due within one year	6	834,474	773,050
Cash at bank and in hand	7	23,280	64,393
		<u>1,138,520</u>	<u>1,044,728</u>
Creditors: amounts falling due within one year	8	(1,002,981)	(753,211)
NET CURRENT ASSETS		<u>135,539</u>	<u>291,517</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>341,035</u>	<u>395,293</u>
Creditors: amounts falling due after more than one year	9	(90,492)	(46,671)
PROVISIONS FOR LIABILITIES			
Deferred tax		(10,767)	(13,117)
		<u>(10,767)</u>	<u>(13,117)</u>
NET ASSETS		<u>239,776</u>	<u>335,505</u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account		239,676	335,405
		<u>239,776</u>	<u>335,505</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

M A Rees
 Director
 Date:

19th December 2018

The notes on pages 3 to 11 form part of these financial statements.

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. GENERAL INFORMATION

County Building Supplies (Cheltenham) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 52a St. Andrews Road, Malvern, Worcestershire, WR14 3PP.

The principal activity of the company during the year was the sale of building supplies.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.4 FINANCE COSTS

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 BORROWING COSTS

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. ACCOUNTING POLICIES (continued)

2.6 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. ACCOUNTING POLICIES (continued)

2.8 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method and on a reducing balance method.

Depreciation is provided on the following basis:

Leasehold improvements	- 10% straight line
Plant and machinery	- 20% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 20% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.9 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

2. ACCOUNTING POLICIES (continued)

2.13 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.14 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

2.15 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 23 (2017:18).

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

4. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION:					
At 1 July 2017	-	-	161,796	37,792	199,588
Additions	40,000	29,031	87,562	8,096	164,689
At 30 June 2018	40,000	29,031	249,358	45,888	364,277
DEPRECIATION					
At 1 July 2017	-	-	76,188	19,624	95,812
Charge for the year on owned assets	-	467	58,691	3,811	62,969
At 30 June 2018	-	467	134,879	23,435	158,781
NET BOOK VALUE					
At 30 June 2018	40,000	28,564	114,479	22,453	205,496
At 30 June 2017	-	-	85,608	18,168	103,776

5. STOCKS

	2018 £	2017 £
Finished goods and goods for resale	280,766	207,285
	<u>280,766</u>	<u>207,285</u>

6. DEBTORS

	2018 £	2017 £
Trade debtors	655,776	496,356
Amounts owed by group undertakings	48,767	204,523
Other debtors	85,244	46,254
Prepayments and accrued income	44,687	25,917
	<u>834,474</u>	<u>773,050</u>

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	23,280	64,393
Less: bank overdrafts	(61,529)	-
	<u>(38,249)</u>	<u>64,393</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank overdrafts	61,529	-
Trade creditors	350,867	351,551
Amounts owed to group undertakings	60,018	-
Other taxation and social security	39,729	28,840
Obligations under finance lease and hire purchase contracts	46,313	24,431
Other creditors	424,268	322,673
Accruals and deferred income	20,257	25,716
	<u>1,002,981</u>	<u>753,211</u>

Other creditors includes £424,268 (2017: £322,673) in respect of advances under an invoice discounting arrangement which is secured by a fixed and floating charge over all book and other debts of the company.

The obligations under finance leases are secured by fixed charges over the assets which they relate to.

The loans and overdrafts are secured by a first legal charge over the company freehold property and an unlimited debenture incorporating a fixed and floating charge over the assets of the company.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	90,492	46,671
	<u>90,492</u>	<u>46,671</u>

The obligations under finance leases are secured by fixed charges over the assets which they relate to.

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

10. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	46,313	244,321
Between 1-5 years	90,492	46,671
	<u>136,805</u>	<u>290,992</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

11. FINANCIAL INSTRUMENTS

	2018 £	2017 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	<u>23,280</u>	<u>64,393</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank held.

12. SHARE CAPITAL

	2018 £	2017 £
ALLOTTED, CALLED UP AND FULLY PAID		
100 (2017:100) Ordinary Shares shares of £1.00 each	<u>100</u>	<u>100</u>

13. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £27,446 (2017: £22,803). Contributions totalling £2,257 (2017: £2,322) were payable to the fund at the reporting date and are included in creditors.

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

14. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	103,998	97,546
Later than 1 year and not later than 5 years	185,713	279,437
Later than 5 years	281,250	312,500
	<u>570,961</u>	<u>689,483</u>

15. TRANSACTIONS WITH DIRECTORS

Also included in Other Debtors due within one year are the following amounts due from directors:

M Rees £1,345 (2017: £1,345)
G Lloyd £347 (2017: £Nil)
I Stacey £1,703 (2017: £Nil)

These amounts are unsecured, interest free and repayable on demand.

Included in turnover for the year are the following transactions with directors:

M Rees £3,972 with £3,972 being repaid in the year
G Lloyd £347 with £Nil being repaid in the year
I Stacey £1,703 with £Nil being repaid in the year

16. RELATED PARTY TRANSACTIONS

	2018 £	2017 £
Purchase transactions with group companies	200,217	174,363
Sales transactions with group companies	107,913	135,875
Balances due from group companies	48,767	19,839
Balances due to group companies	60,018	255,948
Overheads recharged from group companies	105,551	136,626
Overheads recharged to group companies	3,626	-
Management charge paid to group companies	84,305	89,205
Dividends paid to group companies	20,000	22,704

17. CONTROLLING PARTY

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

18. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 30 June 2018 was unqualified.

The audit report was signed on *11 December 2018* by Simon Morrison FCA (Senior statutory auditor) on behalf of Bishop Fleming LLP.