

50174690 leg

**J & D PIERCE (CONTRACTS) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR TO
31 JULY 2011**

FRIDAY



SPWA4ZC2
SCT 18/11/2011 296 357
COMPANIES HOUSE

J & D Pierce (Contracts) Limited
Report and accounts
Contents

	Page
Company information	1
Directors' report	2
Independent auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Cash flow statement	8
Notes to the accounts	9-16

J & D Pierce (Contracts) Limited
Company Information

Directors

James Pierce
Derek Pierce

Auditors

John Kerr & Company CA
32a Hamilton Street
SALTCOATS
Ayrshire
KA21 5DS

Registered office

Unit 14
Caledonia Road
Glengarnock
Ayrshire
KA14 3DA

Registered number

174690

J & D Pierce (Contracts) Limited**Registered number:** 174690**Directors' Report**

The directors present their report and accounts for the year ended 31 July 2011.

Principal activities

The company's principal activity during the year continued to be that of steel fabrication.

Review of the business

The results for the year were satisfactory and the financial position is shown in the annexed financial statements.

The directors recognise the principal risks in the company's market as:-

Volatile raw material prices

The global economic situation

Retention of skilled labour

Contract cost efficiencies

Financial instrument risk

The company's financial instrument comprise borrowings, some cash and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these instruments is to raise finance for operations. The company has not entered into derivative transactions nor does it trade in financial instruments as a matter of policy. The main risk arising from the company's financial instruments are interest rate risk and liquidity risk.

Dividends

The total distribution of dividends for the year ended 31 July 2011 was £339,500. (2010: £230,000).

Events since the balance sheet date

The directors do not consider that there have been any events since the balance sheet date which materially affect the financial statements.

Directors

The following persons served as directors during the year:

James Pierce

Derek Pierce

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;

J & D Pierce (Contracts) Limited

Registered number: 174690

Directors' Report

- make judgements 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 accounts;
- prepare the accounts 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 accounts 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.

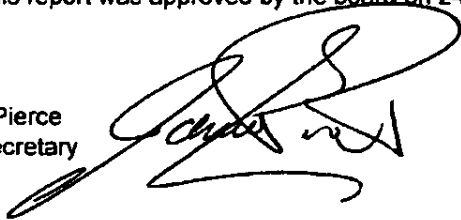
Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 24 October 2011 and signed by its order.

J Pierce
Secretary

A handwritten signature in black ink, appearing to be 'J Pierce', written over a horizontal line.

J & D Pierce (Contracts) Limited
Independent auditors' report
to the shareholders of J & D Pierce (Contracts) Limited

We have audited the accounts of J & D Pierce (Contracts) Limited for the year ended 31 July 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. 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 auditors' 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, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

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 the accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 July 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.

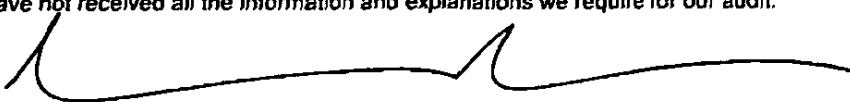
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

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 accounts 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.


John Kerr CA
(Senior Statutory Auditor)
for and on behalf of
John Kerr & Company CA
Accountants and Statutory Auditors
24 October 2011

32a Hamilton Street
SALTCOATS
Ayrshire
KA21 5DS

J & D Pierce (Contracts) Limited
Profit & Loss Account
For the year ended 31 July 2011

	Notes	2011 £	2010 £
Gross Profit		3,616,956	2,211,002
Administrative expense		(3,060,906)	(2,267,434)
Other Operating income		15,000	21,794
Operating profit/(loss)	3	571,050	(34,638)
Exceptional items			
Loss on the disposal of tangible fixed assets	4	(1,675)	(4,673)
		569,375	(39,311)
Interest receivable		705	1,024
Interest payable	7	(45,271)	(71,407)
Profit/(loss) on ordinary activities before taxation		524,809	(109,694)
Tax on profit/(loss) on ordinary activities	8	(118,556)	117,393
Profit for the financial year		406,253 =====	7,699 =====

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

J & D Pierce (Contracts) Limited
Statement of total recognised gains and losses
for the year ended 31 July 2011

	Notes	2011 £	2010 £
Profit for the financial year		406,253	7,699
Total recognised gains and losses related to the year		<u>406,253</u>	<u>7,699</u>

J & D Pierce (Contracts) Limited
Balance Sheet
as at 31 July 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	9	2,926,463	3,029,953
Current assets			
Stocks	10	79,925	198,169
Debtors	11	5,329,365	4,055,998
Cash at bank and in hand		1,309,904	1,549,722
		<u>6,719,194</u>	<u>5,803,889</u>
Creditors: amounts falling due within one year	12	(5,413,869)	(4,496,667)
Net current assets		<u>1,305,325</u>	<u>1,307,222</u>
Total assets less current liabilities		<u>4,231,788</u>	<u>4,337,175</u>
Creditors: amounts falling due after more than one year	13	(201,067)	(364,935)
Provisions for liabilities			
Deferred taxation	16	(259,870)	(268,142)
Net assets		<u>3,770,851</u>	<u>3,704,098</u>
Capital and reserves			
Called up share capital	17	100,000	100,000
Profit and loss account	18	3,670,851	3,604,098
Shareholders' funds	20	<u>3,770,851</u>	<u>3,704,098</u>

J Pierce
 Director

Approved by the board on 24 October 2011

D Pierce
 Director

J & D Pierce (Contracts) Limited
Cash Flow Statement
for the year ended 31 July 2011

	Notes	2011 £	2010 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit/(loss)		571,050	(51,238)
Depreciation and amortisation		294,255	329,397
Decrease/(increase) in stocks		118,244	(193,169)
Increase in debtors		(1,273,367)	(228,237)
Increase in creditors		888,922	1,177,447
Net cash inflow from operating activities		599,104	1,034,200

CASH FLOW STATEMENT

Net cash inflow from operating activities		599,104	1,034,200
Returns on investments and servicing of finance	21	(44,566)	(53,783)
Taxation		3,454	(323,964)
Capital expenditure	21	(192,440)	(55,969)
		365,552	600,484
Equity dividends paid		(339,500)	(230,000)
		26,052	370,484
Financing	21	(265,870)	(357,834)
(Decrease)/increase in cash		(239,818)	12,650

Reconciliation of net cash flow to movement in net debt

(Decrease)/increase in cash in the period		(239,818)	12,650
Decrease in debt and lease financing		265,870	357,834
Change in net debt	22	26,052	370,484
Net funds at 1 August		446,074	75,590
Net funds at 31 July		472,126	446,074

J & D Pierce (Contracts) Limited
Notes to the Accounts
for the year ended 31 July 2011

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	2% on cost
Plant and machinery	10% on reducing balance
Fittings and equipment	20% on reducing balance
Motor vehicles	25% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value.

Contracts are included in current assets at valuation, which includes all material cost, labour, overheads and profit element.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

J & D Pierce (Contracts) Limited
Profit & Loss Account
For the year ended 31 July 2011

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations 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.

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

Pensions

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

2 Analysis of turnover

All of the sales are from the principal activity.

3 Operating Profit

	2011	2010
	£	£
This is stated after charging		
Depreciation of owned fixed assets	176,805	197,945
Depreciation of assets held under finance leases and hire purchase contracts	117,450	131,452
Auditors remuneration for audit services	5,015	4,960

4 Exceptional items

	2011	2010
	£	£
Loss on disposal of plant and machinery	(1,675)	(4,673)

J & D Pierce (Contracts) Limited
Notes to the Accounts
for the year ended 31 July 2011

5 Directors' emoluments	2011	2010
	£	£
Emoluments	<u>80,442</u>	<u>64,750</u>
Number of directors in company pension schemes:	2011	2010
	Number	Number
Money purchase schemes	<u>2</u>	<u>2</u>
6 Staff costs	2011	2010
	£	£
Wages and salaries	3,368,338	2,833,862
Social security costs	344,098	283,697
Other pension costs	49,622	47,390
	<u>3,762,058</u>	<u>3,164,949</u>
Average number of employees during the year	Number	Number
Administration	2	2
Development	111	100
	<u>113</u>	<u>102</u>
7 Interest payable	2011	2010
	£	£
Bank loans and overdrafts	3,008	22,823
Finance charges payable under finance leases and hire purchase contracts	42,263	48,584
	<u>45,271</u>	<u>71,407</u>
8 Taxation	2011	2010
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	126,828	(3,231)
Adjustments in respect of previous periods	-	340
	<u>126,828</u>	<u>(2,891)</u>
Deferred tax:		
Origination and reversal of timing differences	(8,272)	(114,502)
Tax on profit/(loss) on ordinary activities	<u>118,556</u>	<u>(117,393)</u>

J & D Pierce (Contracts) Limited
Notes to the Accounts
for the year ended 31 July 2011

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2011 £	2010 £
Profit/(loss) on ordinary activities before tax	<u>524,809</u>	<u>(109,694)</u>
Standard rate of corporation tax in the UK	21%	21%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	110,210	(23,036)
Effects of:		
Expenses not deductible for tax purposes	(40,587)	(81,731)
Capital allowances for period in excess of depreciation	57,205	101,536
Adjustments to tax charge in respect of previous periods	-	340
Current tax charge for period	<u>126,828</u>	<u>(2,891)</u>

Factors that may affect future tax charges

J & D Pierce (Contracts) Limited
Notes to the Accounts
for the year ended 31 July 2011

9 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
Cost				
At 1 August 2010	974,447	3,590,910	222,718	4,788,075
Additions	-	279,321	15,519	294,840
Disposals	-	(193,351)	(660)	(194,011)
At 31 July 2011	<u>974,447</u>	<u>3,676,880</u>	<u>237,577</u>	<u>4,888,904</u>
Depreciation				
At 1 August 2010	144,210	1,479,353	134,559	1,758,122
Charge for the year	19,489	254,076	20,690	294,255
On disposals	-	(89,506)	(430)	(89,936)
At 31 July 2011	<u>163,699</u>	<u>1,643,923</u>	<u>154,819</u>	<u>1,962,441</u>
Net book value				
At 31 July 2011	<u>810,748</u>	<u>2,032,957</u>	<u>82,758</u>	<u>2,926,463</u>
At 31 July 2010	<u>830,237</u>	<u>2,111,557</u>	<u>88,159</u>	<u>3,029,953</u>

	2011 £	2010 £
Net book value of fixed assets included above held under finance leases and hire purchase contracts	<u>1,031,351</u>	<u>1,148,439</u>

10 Stocks

	2011 £	2010 £
Raw materials and consumables	79,925	6,250
Work in progress	-	191,919
	<u>79,925</u>	<u>198,169</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

11 Debtors

	2011 £	2010 £
Trade debtors	9,528	10,146
Prepayments and accrued income	14,446	17,296
Amounts recoverable on contracts	<u>5,305,391</u>	<u>4,028,556</u>
	<u>5,329,365</u>	<u>4,055,998</u>

J & D Pierce (Contracts) Limited
Notes to the Accounts
for the year ended 31 July 2011

12 Creditors: amounts falling due within one year	2011	2010
	£	£
Bank loans and overdrafts	496,629	501,698
Obligations under finance lease and hire purchase contracts	140,082	237,015
Trade creditors	4,190,370	3,106,721
Corporation tax	127,051	(3,231)
Other taxes and social security costs	301,166	594,377
Other creditors	30,901	36,973
Accruals and deferred income	127,670	23,114
	<u>5,413,869</u>	<u>4,496,667</u>

The bank borrowings are secured by a standard security over the property and a bond and floating charge over the company's assets.

13 Creditors: amounts falling due after one year	2011	2010
	£	£
Bank loans	56,531	86,170
Obligations under finance lease and hire purchase contracts	144,536	278,765
	<u>201,067</u>	<u>364,935</u>

14 Loans	2011	2010
	£	£
Analysis of maturity of debt:		
Within one year or on demand	496,629	501,698
Between one and two years	56,531	86,170
	<u>553,160</u>	<u>587,868</u>

The bank loans are secured on ...

15 Obligations under finance leases and hire purchase contracts	2011	2010
	£	£
Amounts payable:		
Within one year	140,082	237,015
Within two to five years	144,536	278,765
	<u>284,618</u>	<u>515,780</u>

J & D Pierce (Contracts) Limited
Notes to the Accounts
for the year ended 31 July 2011

16 Deferred taxation			2011 £	2010 £
Accelerated capital allowances			259,870	268,142
Undiscounted provision for deferred tax			259,870	268,142
			2011 £	2010 £
At 1 August			268,142	382,644
Deferred tax charge in profit and loss account			(8,272)	(114,502)
At 31 July			259,870	268,142
17 Share capital	Nominal value	2011 Number	2011 £	2010 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	100,000	100,000	100,000
18 Profit and loss account			2011 £	
At 1 August 2010			3,604,098	
Profit for the financial year			406,253	
Dividends			(339,500)	
At 31 July 2011			3,670,851	
19 Dividends			2011 £	2010 £
Dividends for which the company became liable during the year:				
Dividends paid			339,500	230,000
Dividends proposed after the balance sheet date			339,500	230,000
20 Reconciliation of movement in shareholders' funds			2011 £	2010 £
At 1 August			3,704,098	3,926,399
Profit for the financial year			406,253	7,699
Dividends			(339,500)	(230,000)
At 31 July			3,770,851	3,704,098

J & D Pierce (Contracts) Limited
Notes to the Accounts
for the year ended 31 July 2011

21 Gross cash flows	2011	2010
	£	£
Returns on investments and servicing of finance		
Interest received	705	1,024
Interest paid	(3,008)	(6,223)
Interest element of finance lease rental payments	(42,263)	(48,584)
	<u>(44,566)</u>	<u>(53,783)</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(294,840)	(61,969)
Receipts from sales of tangible fixed assets	102,400	6,000
	<u>(192,440)</u>	<u>(55,969)</u>
Financing		
New loans raised	-	3,000
Loan repayments	(34,708)	(55,563)
Capital element of finance lease rental payments	(231,162)	(305,271)
	<u>(265,870)</u>	<u>(357,834)</u>

22 Analysis of changes in net debt

	At 1 Aug 2010 £	Cash flows £	Non-cash changes £	At 31 Jul 2011 £
Cash at bank and in hand	1,549,722	(239,818)		1,309,904
Debt due within 1 year	(501,698)	5,069		(496,629)
Debt due after 1 year	(86,170)	29,639		(56,531)
Finance leases	(515,780)	231,162		(284,618)
		<u>265,870</u>		
Total	<u>446,074</u>	<u>26,052</u>	<u>-</u>	<u>472,126</u>

23 Controlling Parties

The company was under the control of the directors, Mr James Pierce and Mr Derek Pierce throughout the period. At the year end their interest in the company's share capital was 60% and 40% respectively.