

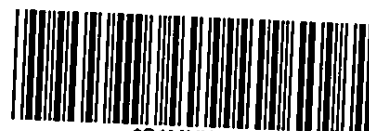
Registered number
SC174690

J & D PIERCE (CONTRACTS) LIMITED

Abbreviated Report and Accounts

31 July 2012

WEDNESDAY



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COMPANIES HOUSE

J & D PIERCE (CONTRACTS) LIMITED

Registered number: SC174690

Directors' Report

The directors present their report and accounts for the year ended 31 July 2012.

Principal activities

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

Review of the business

The directors are satisfied that the company's results for the year to 31 July 2012 are in line with profit and liquidity expectations, in the light of generally difficult economic circumstances. It is anticipated that economic conditions in the year to 31 July 2013 will be similar.

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

Future developments

The company has continued to invest in capital equipment to improve efficiency and quality of output. A further extension to the factory will be completed in the year to 31 July 2013 to provide the facility for increased capacity.

Key performance indicators

All of the key performance indicators of the company for the year to 31 July 2013 are satisfactory.

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 during the year to 31 July 2012 was £195500 (2011: £339500).

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

J & D PIERCE (CONTRACTS) LIMITED

Registered number: SC174690

Directors' Report

Directors' responsibilities

Statement of 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 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;
- 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.

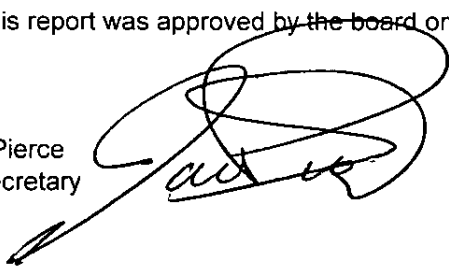
Disclosure of information to auditors

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 31 October 2012 and signed by its order.

J Pierce
Secretary

A large, stylized handwritten signature in black ink, appearing to be 'J Pierce', is written over the printed name and title.

J & D PIERCE (CONTRACTS) LIMITED
Statement of 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;
- 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.

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 2012 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 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.

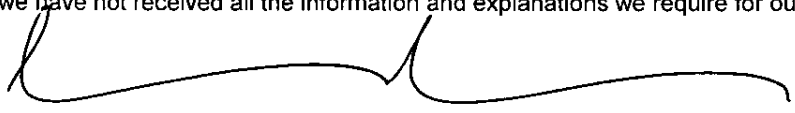
Opinion on other matters prescribed by the Companies Act 2006

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.


J Kerr
(Senior Statutory Auditor)
for and on behalf of
John Kerr & Company CA
Accountants and Statutory Auditors
1 November 2012

32a Hamilton Street
SALTCOATS
Ayrshire
KA21 5DS

J & D PIERCE (CONTRACTS) LIMITED
Profit and Loss Account
for the year ended 31 July 2012

	Notes	2012 £	2011 £
Gross profit		<u>3,617,364</u>	<u>3,616,956</u>
Administrative expenses		(2,873,893)	(3,062,581)
Other operating income		15,000	15,000
Operating profit	3	<u>758,471</u>	<u>569,375</u>
Interest receivable		904	705
Interest payable	6	(42,350)	(45,271)
Profit on ordinary activities before taxation		<u>717,025</u>	<u>524,809</u>
Tax on profit on ordinary activities	7	(245,157)	(118,556)
Profit for the financial year		<u>471,868</u>	<u>406,253</u>

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 2012

	Notes	2012 £	2011 £
Profit for the financial year		471,868	406,253
Total recognised gains and losses related to the year		<u>471,868</u>	<u>406,253</u>

J & D PIERCE (CONTRACTS) LIMITED
Balance Sheet
as at 31 July 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	8	3,375,368	2,926,463
Current assets			
Stocks	9	50,878	79,925
Debtors	10	5,837,499	5,329,365
Cash at bank and in hand		1,163,244	1,309,904
		7,051,621	6,719,194
Creditors: amounts falling due within one year	11	(5,834,676)	(5,413,869)
Net current assets		1,216,945	1,305,325
Total assets less current liabilities		4,592,313	4,231,788
Creditors: amounts falling due after more than one year	12	(217,724)	(201,067)
Provisions for liabilities			
Deferred taxation	14	(327,370)	(259,870)
Net assets		<u>4,047,219</u>	<u>3,770,851</u>
Capital and reserves			
Called up share capital	15	100,000	100,000
Profit and loss account	16	3,947,219	3,670,851
Shareholders' funds	18	<u>4,047,219</u>	<u>3,770,851</u>

J Pierce
Director

Approved by the board on 31 October 2012

D Pierce
Director

J & D PIERCE (CONTRACTS) LIMITED
Cash Flow Statement
for the year ended 31 July 2012

	Notes	2012 £	2011 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		758,471	571,050
Depreciation and amortisation		350,441	294,255
Decrease in stocks		29,047	118,244
Increase in debtors		(508,134)	(1,273,367)
Increase in creditors		237,845	888,922
Net cash inflow from operating activities		<u>867,670</u>	<u>599,104</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		867,670	599,104
Returns on investments and servicing of finance	19	(41,446)	(44,566)
Taxation		(127,484)	3,454
Capital expenditure	19	<u>(799,346)</u> <u>(100,606)</u>	<u>(192,440)</u> <u>365,552</u>
Equity dividends paid		<u>(195,500)</u> <u>(296,106)</u>	<u>(339,500)</u> <u>26,052</u>
Financing	19	76,473	(265,870)
Decrease in cash		<u>(219,633)</u>	<u>(239,818)</u>
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the period		(219,633)	(239,818)
(Increase)/decrease in debt and lease financing		(76,473)	265,870
Change in net debt	20	<u>(296,106)</u>	<u>26,052</u>
Net funds at 1 August		472,126	446,074
Net funds at 31 July		<u>176,020</u>	<u>472,126</u>

J & D PIERCE (CONTRACTS) LIMITED
Notes to the Accounts
for the year ended 31 July 2012

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
Motor vehicles	25% on reducing balance
Fittings and equipment	20% on reducing balance

Stocks

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

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.

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 leases are charged to income on a straight line basis over the lease term.

J & D PIERCE (CONTRACTS) LIMITED
Notes to the Accounts
for the year ended 31 July 2012

Pensions

The company operates a defined 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 turnover is attributed to activity in the United Kingdom.

3 Operating profit

2012 **2011**
£ **£**

This is stated after charging:

Depreciation of owned fixed assets	350,441	294,255
Auditors' remuneration for audit services	5,110	-

4 Directors' emoluments

2012 **2011**
£ **£**

Emoluments	80,837	-
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Number of directors in company pension schemes:

2012 **2011**
Number **Number**

Money purchase schemes	2	-
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5 Staff costs

2012 **2011**
£ **£**

Wages and salaries	912,766	822,264
Social security costs	91,311	80,269
Other pension costs	50,184	49,622
	<u>1,054,261</u>	<u>952,155</u>

J & D PIERCE (CONTRACTS) LIMITED
Notes to the Accounts
for the year ended 31 July 2012

6 Interest payable	2012 £	2011 £
Bank loans and overdrafts	3,501	3,008
Finance charges payable under finance leases and hire purchase contracts	38,849	42,263
	<u>42,350</u>	<u>45,271</u>

7 Taxation	2012 £	2011 £
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	177,657	126,828
Deferred tax:		
Origination and reversal of timing differences	67,500	(8,272)
	<u>245,157</u>	<u>118,556</u>
Tax on profit on ordinary activities		

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:

	2012 £	2011 £
Profit on ordinary activities before tax	<u>717,025</u>	<u>524,809</u>
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	215,108	157,443
Effects of:		
Expenses not deductible for tax purposes	(37,451)	(30,615)
Current tax charge for period	<u>177,657</u>	<u>126,828</u>

J & D PIERCE (CONTRACTS) LIMITED
Notes to the Accounts
for the year ended 31 July 2012

8 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
Cost				
At 1 August 2011	974,447	3,676,880	237,577	4,888,904
Additions	96,269	760,072	11,858	868,199
Disposals	-	(190,153)	(369)	(190,522)
At 31 July 2012	<u>1,070,716</u>	<u>4,246,799</u>	<u>249,066</u>	<u>5,566,581</u>
Depreciation				
At 1 August 2011	163,699	1,643,923	154,819	1,962,441
Charge for the year	19,489	313,201	17,751	350,441
On disposals	-	(121,382)	(287)	(121,669)
At 31 July 2012	<u>183,188</u>	<u>1,835,742</u>	<u>172,283</u>	<u>2,191,213</u>
Net book value				
At 31 July 2012	<u>887,528</u>	<u>2,411,057</u>	<u>76,783</u>	<u>3,375,368</u>
At 31 July 2011	<u>810,748</u>	<u>2,032,957</u>	<u>82,758</u>	<u>2,926,463</u>

9 Stocks

	2012 £	2011 £
Raw materials and consumables	<u>50,878</u>	<u>79,925</u>

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

10 Debtors

	2012 £	2011 £
Trade debtors	8,399	9,528
Other debtors	70,698	-
Prepayments and accrued income	16,777	14,446
Amounts recoverable on long term contracts	<u>5,741,625</u>	<u>5,305,391</u>
	<u>5,837,499</u>	<u>5,329,365</u>

J & D PIERCE (CONTRACTS) LIMITED
Notes to the Accounts
for the year ended 31 July 2012

11 Creditors: amounts falling due within one year	2012	2011
	£	£
Bank loans and overdrafts	576,140	496,629
Obligations under finance lease and hire purchase contracts	193,360	140,082
Trade creditors	4,542,037	4,201,219
Corporation tax	177,224	127,051
Other taxes and social security costs	122,981	279,621
Other creditors	70,439	41,597
Accruals and deferred income	152,495	127,670
	<u>5,834,676</u>	<u>5,413,869</u>
12 Creditors: amounts falling due after one year	2012	2011
	£	£
Bank loans	19,455	56,531
Obligations under finance lease and hire purchase contracts	198,269	144,536
	<u>217,724</u>	<u>201,067</u>
13 Obligations under finance leases and hire purchase contracts	2012	2011
	£	£
Amounts payable:		
Within one year	193,360	140,082
Within two to five years	198,269	144,536
	<u>391,629</u>	<u>284,618</u>
14 Deferred taxation	2012	2011
	£	£
Accelerated capital allowances	327,370	259,870
Undiscounted provision for deferred tax	327,370	259,870
	<u>327,370</u>	<u>259,870</u>
	2012	2011
	£	£
At 1 August	259,870	268,142
Deferred tax charge in profit and loss account	67,500	(8,272)
	<u>327,370</u>	<u>259,870</u>
At 31 July	<u>327,370</u>	<u>259,870</u>

J & D PIERCE (CONTRACTS) LIMITED
Notes to the Accounts
for the year ended 31 July 2012

15 Share capital	Nominal value	2012 Number	2012 £	2011 £
Alotted, called up and fully paid: Ordinary shares	£1 each	-	<u>100,000</u>	<u>100,000</u>
16 Profit and loss account			2012 £	
At 1 August 2011			3,670,851	
Profit for the financial year			471,868	
Dividends			(195,500)	
At 31 July 2012			<u>3,947,219</u>	
17 Dividends			2012 £	2011 £
Dividends for which the company became liable during the year: Dividends paid			<u>195,500</u>	<u>339,500</u>
18 Reconciliation of movement in shareholders' funds			2012 £	2011 £
At 1 August			3,770,851	3,704,098
Profit for the financial year			471,868	406,253
Dividends			(195,500)	(339,500)
At 31 July			<u>4,047,219</u>	<u>3,770,851</u>

J & D PIERCE (CONTRACTS) LIMITED

Notes to the Accounts

for the year ended 31 July 2012

19 Gross cash flows	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	904	-
Interest paid	(3,501)	-
Interest element of finance lease rental payments	(38,849)	-
	<u>(41,446)</u>	<u>-</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(868,199)	-
Receipts from sales of tangible fixed assets	68,853	-
	<u>(799,346)</u>	<u>-</u>
Financing		
Loan repayments	(30,538)	-
Capital element of finance lease rental payments	107,011	-
	<u>76,473</u>	<u>-</u>

20 Analysis of changes in net debt

	At 1 Aug 2011	Cash flows	Non-cash changes	At 31 Jul 2012
	£	£	£	£
Cash at bank and in hand	1,309,904	(146,660)		1,163,244
Overdrafts	(472,629)	(72,973)		(545,602)
		<u>(219,633)</u>		
Debt due within 1 year	(24,000)	(6,538)		(30,538)
Debt due after 1 year	(56,531)	37,076		(19,455)
Finance leases	(284,618)	(107,011)		(391,629)
		<u>(76,473)</u>		
Total	472,126	(296,106)	-	176,020

21 Bank borrowings are secured by a standard security and bond and floating charge over the assets of the company.

22 The company is completing an extension to it's facilities. The capital commitment of expenditure to completion , including equipment is £1500,000.