

**FIRST CONSTRUCTION LIMITED**  
**No. SC239596**

**FILLETED ACCOUNTS**  
**FOR THE YEAR ENDED 30 APRIL 2016**

TUESDAY



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COMPANIES HOUSE

# **FIRST CONSTRUCTION LIMITED**

## **COMPANY INFORMATION**

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|--------------------------|-----------------------------------------------------------------------------------|
| <b>Director</b>          | Ian A Suttie                                                                      |
| <b>Company number</b>    | SC239596                                                                          |
| <b>Registered office</b> | First Integrated House<br>Broadfold Road<br>Bridge of Don<br>Aberdeen<br>AB23 8EE |
| <b>Auditors</b>          | Hall Morrice LLP<br>6 & 7 Queens Terrace<br>Aberdeen<br>AB10 1XL                  |
| <b>Bankers</b>           | Clydesdale Bank PLC<br>1 Queens Cross<br>Aberdeen<br>AB15 4XU                     |

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# **FIRST CONSTRUCTION LIMITED**

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# FIRST CONSTRUCTION LIMITED

## BALANCE SHEET AS AT 30 APRIL 2016

|                                                                | Notes | £          | 2016<br>£    | £          | 2015<br>£    |
|----------------------------------------------------------------|-------|------------|--------------|------------|--------------|
| <b>Fixed assets</b>                                            |       |            |              |            |              |
| Tangible assets                                                | 3     |            | 339,499      |            | 339,499      |
| <b>Current assets</b>                                          |       |            |              |            |              |
| Stocks                                                         |       | 10,428,800 |              | 9,163,184  |              |
| Debtors                                                        | 4     | 252,425    |              | 954,485    |              |
| Cash at bank and in hand                                       |       | 9,646      |              | 4,752      |              |
|                                                                |       |            | 10,690,871   | 10,122,421 |              |
| <b>Creditors: amounts falling due within one year</b>          | 5     | (659,646)  |              | (500,593)  |              |
| <b>Net current assets</b>                                      |       |            | 10,031,225   |            | 9,621,828    |
| <b>Total assets less current liabilities</b>                   |       |            | 10,370,724   |            | 9,961,327    |
| <b>Creditors: amounts falling due after more than one year</b> | 6     |            | (11,954,771) |            | (13,293,821) |
| <b>Net liabilities</b>                                         |       |            | (1,584,047)  |            | (3,332,494)  |
| <b>Capital and reserves</b>                                    |       |            |              |            |              |
| Called up share capital                                        | 7     |            | 1            |            | 1            |
| Profit and loss reserves                                       |       |            | (1,584,048)  |            | (3,332,495)  |
| <b>Total equity</b>                                            |       |            | (1,584,047)  |            | (3,332,494)  |

The director of the company has 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 special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and signed by the director and authorised for issue on 19 January 2017

  
Ian A Suttie  
Director

# FIRST CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies

#### 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 April 2016 are the first financial statements of First Construction Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 May 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company has taken advantage not to disclose details of transactions and balances with other members of the First Tech Limited Group (the 'Group'). The consolidated financial statements of First Tech Limited can be obtained from the address given in note 9.

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue to trade. This assumption is based upon assurances received from the director that it is his intention to provide such assistance as is required to enable the company to meet its financial commitments. If the company were unable to continue to trade, adjustments would have to be made to reduce the value of the assets to their recoverable amount and to provide for any further liabilities that might arise.

#### 1.3 Turnover

Turnover represents amounts receivable for goods, services and recharged expenses net of VAT and trade discounts.

#### 1.4 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                     |                   |
|---------------------|-------------------|
| Investment property | Nil               |
| Plant and machinery | 20% 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.

# FIRST CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

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### **1 Accounting policies (continued)**

#### **1.5 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

#### **1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

#### **1.7 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 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.

The company capitalises directly attributable interest on all work in progress in the course of construction. The rates used for capitalisation purposes in the period are the rates attributable to the borrowings specific to the work in progress.

#### **1.8 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.

# FIRST CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies (continued)

#### 1.9 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.

#### **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 publically 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.

# FIRST CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies (continued)

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 receipts 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.

### 1.10 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.

### 1.11 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.

# FIRST CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

### 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.

#### 1.12 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.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 1 (2015 - 1).

### 3 Tangible fixed assets

|                                    | Land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Total<br>£ |
|------------------------------------|----------------------------|-----------------------------|------------|
| <b>Cost</b>                        |                            |                             |            |
| At 1 May 2015 and 30 April 2016    | 339,499                    | 45,779                      | 385,278    |
| <b>Depreciation and impairment</b> |                            |                             |            |
| At 1 May 2015 and 30 April 2016    | -                          | 45,779                      | 45,779     |
| <b>Carrying amount</b>             |                            |                             |            |
| At 30 April 2016                   | 339,499                    | -                           | 339,499    |
| At 30 April 2015                   | 339,499                    | -                           | 339,499    |

171 - 173 Union Street, Aberdeen was acquired during February 2008 and in the director's opinion, the purchase price reflects the open market value at 30 April 2016. Parking Spaces at 14 Queens Road, Aberdeen were acquired in March 2013. In the director's opinion the purchase price reflects the open market value at 30 April 2016.

# FIRST CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

### 4 Debtors

|                                             | 2016<br>£      | 2015<br>£      |
|---------------------------------------------|----------------|----------------|
| <b>Amounts falling due within one year:</b> |                |                |
| Trade debtors                               | 1,809          | 218,956        |
| Other debtors                               | 66,515         | 735,529        |
|                                             | <u>68,324</u>  | <u>954,485</u> |
| Deferred tax asset                          | 184,101        | -              |
|                                             | <u>252,425</u> | <u>954,485</u> |

### 5 Creditors: amounts falling due within one year

|                                    | 2016<br>£      | 2015<br>£      |
|------------------------------------|----------------|----------------|
| Trade creditors                    | 376,459        | 430,597        |
| Amounts due to group undertakings  | -              | 16,732         |
| Other taxation and social security | 711            | 785            |
| Other creditors                    | 282,476        | 52,479         |
|                                    | <u>659,646</u> | <u>500,593</u> |

### 6 Creditors: amounts falling due after more than one year

|                 | 2016<br>£         | 2015<br>£         |
|-----------------|-------------------|-------------------|
| Other creditors | <u>11,954,771</u> | <u>13,293,821</u> |

Amounts included above which fall due after five years are as follows:

|                                   |                   |                   |
|-----------------------------------|-------------------|-------------------|
| Payable other than by instalments | <u>11,954,771</u> | <u>13,293,821</u> |
|-----------------------------------|-------------------|-------------------|

### 7 Called up share capital

|                                                         | 2016<br>£ | 2015<br>£ |
|---------------------------------------------------------|-----------|-----------|
| <b>Ordinary share capital<br/>issued and fully paid</b> |           |           |
| 1 Ordinary share of £1                                  | <u>1</u>  | <u>1</u>  |

### 8 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 Hugh H Hall BSc CA.  
The auditor was Hall Morrice LLP.

## **FIRST CONSTRUCTION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016**

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#### **9 Parent company**

The company was controlled throughout the current and previous year by its parent company, First Tech Limited, a company registered in Scotland.

The ultimate controlling party is the director, Ian Suttie.

The largest group in which the financial results of the company are consolidated is that headed by First Tech Limited. No other financial statements include the results of the company. The consolidated financial statements are available to the public and a copy may be obtained from First Integrated House, Broadfold Road, Bridge Of Don, Aberdeen, AB23 8EE.

#### **10 Company information**

First Construction Limited is a private company limited by shares incorporated in Scotland. The registered office is First Integrated House, Broadfold Road, Bridge of Don, Aberdeen, AB23 8EE.