

SOUTH CUMBRIA CONSTRUCTION LIMITED

UNAUDITED  
FINANCIAL STATEMENTS

31 MARCH 2019

**ArmstrongWatson<sup>®</sup>**  
Accountants, Business & Financial Advisers

**SOUTH CUMBRIA CONSTRUCTION LIMITED**  
**REGISTERED NUMBER: 01121872**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

|   | Note | 2019<br>£             | 2018<br>£             |
|---|------|-----------------------|-----------------------|
| <b>Fixed assets</b>                                     |      |                       |                       |
| Tangible assets   | 4    | 49,730                | 59,254                |
| Investments   | 5    | 10,000                | 10,000                |
|   |      | <u>59,730</u>         | <u>69,254</u>         |
| <b>Current assets</b>                                   |      |                       |                       |
| Stocks  |      | 204,220               | 183,756               |
| Debtors: amounts falling due within one year            | 6    | 172,155               | 154,604               |
| Cash at bank and in hand                                |      | 1,672                 | 2,246                 |
|   |      | <u>378,047</u>        | <u>340,606</u>        |
| Creditors: amounts falling due within one year          | 7    | (289,650)             | (279,965)             |
| <b>Net current assets</b>                               |      | <u>88,397</u>         | <u>60,641</u>         |
| <b>Total assets less current liabilities</b>            |      | <u>148,127</u>        | <u>129,895</u>        |
| Creditors: amounts falling due after more than one year | 8    | (37,386)              | (7,696)               |
| <b>Provisions for liabilities</b>                       |      |                       |                       |
| Deferred tax  | 9    | (8,000)               | (9,650)               |
|   |      | <u>(8,000)</u>        | <u>(9,650)</u>        |
| <b>Net assets</b>                                       |      | <u><u>102,741</u></u> | <u><u>112,549</u></u> |

**SOUTH CUMBRIA CONSTRUCTION LIMITED**  
**REGISTERED NUMBER: 01121872**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2019**

|                             | Note | 2019<br>£      | 2018<br>£      |
|-----------------------------|------|----------------|----------------|
| <b>Capital and reserves</b> |      |                |                |
| Called up share capital     |      | 2,000          | 2,000          |
| Profit and loss account     | 10   | 100,741        | 110,549        |
|                             |      | <u>102,741</u> | <u>112,549</u> |

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 income and retained earnings 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:

**P Lewthwaite**  
Director

Date: 5 August 2019

The notes on pages 3 to 8 form part of these financial statements.

## **SOUTH CUMBRIA CONSTRUCTION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

#### **1. General information**

South Cumbria Construction Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office and principal place of business is Broad Street, Windermere, Cumbria, LA23 2AB.

These accounts have been presented in pound sterling as this is the currency of the primary economic environment in which the company operates.

#### **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:

###### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### **2.3 Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings 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.

##### **2.4 Borrowing costs**

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**2. Accounting policies (continued)**

**2.5 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 Income and Retained Earnings 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.

**2.6 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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.

**2.7 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.

## **SOUTH CUMBRIA CONSTRUCTION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

#### **2. Accounting policies (continued)**

##### **2.7 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, by the following methods.

Depreciation is provided on the following basis:

|                     |                      |
|---------------------|----------------------|
| Plant and machinery | -                    |
|                     | 25% straight line    |
| Motor vehicles      | -                    |
|                     | 15% 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 Income and Retained Earnings.

##### **2.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **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. Work in progress and finished goods include labour and attributable overheads.

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.

##### **2.13 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.

**SOUTH CUMBRIA CONSTRUCTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**2. Accounting policies (continued)**

**2.14 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 20 (2018 - 20).

**4. Tangible fixed assets**

|                                     | <b>Plant and<br/>machinery</b> | <b>Motor vehicles</b> | <b>Total</b>         |
|-------------------------------------|--------------------------------|-----------------------|----------------------|
|                                     | <b>£</b>                       | <b>£</b>              | <b>£</b>             |
| <b>Cost or valuation</b>            |                                |                       |                      |
| At 1 April 2018                     | 112,476                        | 182,055               | 294,531              |
| Additions                           | 798                            | -                     | 798                  |
| Disposals                           | -                              | (14,946)              | (14,946)             |
| At 31 March 2019                    | <u>113,274</u>                 | <u>167,109</u>        | <u>280,383</u>       |
| <b>Depreciation</b>                 |                                |                       |                      |
| At 1 April 2018                     | 107,056                        | 128,221               | 235,277              |
| Charge for the year on owned assets | 2,120                          | 8,052                 | 10,172               |
| Disposals                           | -                              | (14,796)              | (14,796)             |
| At 31 March 2019                    | <u>109,176</u>                 | <u>121,477</u>        | <u>230,653</u>       |
| <b>Net book value</b>               |                                |                       |                      |
| At 31 March 2019                    | <u><u>4,098</u></u>            | <u><u>45,632</u></u>  | <u><u>49,730</u></u> |
| <b>At 31 March 2018</b>             | <u><u>5,420</u></u>            | <u><u>53,834</u></u>  | <u><u>59,254</u></u> |

**SOUTH CUMBRIA CONSTRUCTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**5. Fixed asset investments**

|                          | <b>Investments in<br/>subsidiary<br/>companies<br/>£</b> |
|--------------------------|--|
| <b>Cost or valuation</b> |  |
| At 1 April 2018          | 17,976   |
| At 31 March 2019         | <u>17,976</u>  |
| <b>Impairment</b>        |  |
| At 1 April 2018          | 7,976  |
| At 31 March 2019         | <u>7,976</u>   |
| <b>Net book value</b>    |  |
| At 31 March 2019         | <u><u>10,000</u></u>                                     |
| <b>At 31 March 2018</b>  | <u><u>10,000</u></u>                                     |

**6. Debtors**

|                                | <b>2019<br/>£</b>     | <b>2018<br/>£</b>     |
|--------------------------------|-----------------------|-----------------------|
| Trade debtors                  | 156,953               | 139,574               |
| Prepayments and accrued income | 15,202                | 15,030                |
|                                | <u><u>172,155</u></u> | <u><u>154,604</u></u> |

**7. Creditors: Amounts falling due within one year**

|                                    | <b>2019<br/>£</b>     | <b>2018<br/>£</b>     |
|------------------------------------|-----------------------|-----------------------|
| Bank overdrafts                    | 129,894               | 107,718               |
| Trade creditors                    | 76,602                | 95,435                |
| Amounts owed to group undertakings | 12,986                | 12,986                |
| Corporation tax                    | 13,945                | 15,492                |
| Other taxation and social security | 42,679                | 34,766                |
| Other creditors                    | 1,277                 | 1,456                 |
| Accruals and deferred income       | 12,267                | 12,112                |
|                                    | <u><u>289,650</u></u> | <u><u>279,965</u></u> |



**SOUTH CUMBRIA CONSTRUCTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**8. Creditors: Amounts falling due after more than one year**

|                                    | 2019<br>£     | 2018<br>£    |
|------------------------------------|---------------|--------------|
| Amounts owed to group undertakings | 37,386        | 7,696        |
|                                    | <u>37,386</u> | <u>7,696</u> |

**9. Deferred taxation**

|                               | 2019<br>£    | 2018<br>£    |
|-------------------------------|--------------|--------------|
| At beginning of year          | 9,650        | 9,450        |
| Charged to the profit or loss | (1,650)      | 200          |
| <b>At end of year</b>         | <u>8,000</u> | <u>9,650</u> |

The provision for deferred taxation is made up as follows:

|                                | 2019<br>£    | 2018<br>£    |
|--------------------------------|--------------|--------------|
| Accelerated capital allowances | 8,000        | 9,650        |
|                                | <u>8,000</u> | <u>9,650</u> |

**10. Reserves**

**Profit and loss account**

The profit and loss account comprises accumulated profits and losses of the company.

**11. Pension commitments**

The company operates defined contribution pension schemes. The assets of the scheme are held separately from those of the company in an independently administered funds.

The pension cost represents contributions payable by the company to the funds and amounted to £37,038 (2018, £39,971) in respect of staff and directors for the year.

**12. Controlling party**

The ultimate parent undertaking is South Cumbria Holdings Limited, a company registered in England and Wales, registered office Broad Street, Windermere, Cumbria, LA23 2AB.



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