

3C Construction Limited

Annual Report and Unaudited Abridged Financial Statements
for the Year Ended 31 December 2019

3C Construction Limited

Contents

Abridged Balance Sheet	<u>1</u> to <u>2</u>
Notes to the Abridged Financial Statements	<u>3</u> to <u>9</u>

3C Construction Limited

(Registration number: 8827057)

Abridged Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	4	14,167	16,167
Tangible assets	5	9,316	15,098
		<u>23,483</u>	<u>31,265</u>
Current assets			
Debtors		12,669	51,807
Cash at bank and in hand		1	1
		<u>12,670</u>	<u>51,808</u>
Prepayments and accrued income		26,972	43,722
Creditors: Amounts falling due within one year		<u>(44,074)</u>	<u>(60,867)</u>
Net current (liabilities)/assets		<u>(4,432)</u>	<u>34,663</u>
Total assets less current liabilities		19,051	65,928
Creditors: Amounts falling due after more than one year		(528)	(3,698)
Provisions for liabilities		(1,731)	(2,795)
Accruals and deferred income		<u>(14,147)</u>	<u>(18,132)</u>
Net assets		<u>2,645</u>	<u>41,303</u>
Capital and reserves			
Allotted, called up and fully paid share capital		1	1
Profit and loss account		<u>2,644</u>	<u>41,302</u>
Total equity		<u>2,645</u>	<u>41,303</u>

3C Construction Limited

(Registration number: 8827057)

Abridged Balance Sheet as at 31 December 2019

For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

All of the company's members have consented to the preparation of an Abridged Balance Sheet in accordance with Section 444(2A) of the Companies Act 2006.

Approved and authorised for issue by the director on 14 September 2020

.....

Mr R M Pearson
Director

3C Construction Limited

Notes to the Abridged Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

45 Lemon Street
Truro
Cornwall
TR1 2NS

The principal place of business is:

Morthen
Polgine Lane
Troon
Camborne
Cornwall
TR14 9DY
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These abridged financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These abridged financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

3C Construction Limited

Notes to the Abridged Financial Statements for the Year Ended 31 December 2019

Going concern

We draw attention to page 4 of the financial statements which show a loss before tax of £10,177 for the year ended 31 December 2019 and, as of that date, the company's current liabilities exceeded its current assets by £4,432.

The Covid-19 outbreak has developed rapidly in 2020. Covid-19 is causing unprecedented disruption to the economy, business in general and the construction sector in particular. The company has taken advantage of government support schemes during this challenging time.

In addition to the already known effects of the Covid-19 outbreak and resulting government measures, the macroeconomic uncertainty causes disruption to economic activity, and it is unknown what the longer term impact on business may be. The Covid-19 virus can evolve in various directions. If society, and as a consequence business, is exposed to Covid-19 for a longer period of time, this may result in prolonged negative results and pressure on liquidity.

Following easing of Covid-19 lockdown restrictions the company's development projects have continued resulting in a small current period profits to date.

These events or conditions may cast significant doubt on the company's ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Based on the circumstances described above, the financial statements are prepared on the assumption that the company is a going concern. This is dependent on the support of the Director and the lenders.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

Rendering of services

When the outcome of a transaction can be estimated reliably, turnover is recognised by reference to the stage of completion at the balance sheet date.

Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

Construction contracts

When the outcome of a construction contract can be estimated reliably, contract costs and turnover are recognised by reference to the stage of completion at the balance sheet date.

Where the outcome cannot be measured reliably, contract costs are recognised as an expense in the period in which they are incurred and contract turnover is recognised to the extent of costs incurred that it is probable will be recoverable.

When it is probable that contract costs will exceed the total contract turnover, the expected loss is recognised as an expense immediately, with a corresponding provision.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

3C Construction Limited

Notes to the Abridged Financial Statements for the Year Ended 31 December 2019

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, on each asset on a systematic basis over its expected useful life as follows:

Asset class	Depreciation method and rate
Motor vehicles	25% Reducing balance method
Plant and machinery	25% Reducing balance method
Office equipment	25% Straight line basis

Goodwill

Goodwill represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised over its useful life.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10 years straight line basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

3C Construction Limited

Notes to the Abridged Financial Statements for the Year Ended 31 December 2019

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors with no stated interest rate and payable within one year are recorded at transaction price.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3C Construction Limited

Notes to the Abridged Financial Statements for the Year Ended 31 December 2019

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 5 (2018 - 5).

3C Construction Limited

Notes to the Abridged Financial Statements for the Year Ended 31 December 2019

4 Intangible assets

	Total £
Cost	
At 1 January 2019	20,000
At 31 December 2019	20,000
Amortisation	
At 1 January 2019	3,833
Amortisation charge	2,000
At 31 December 2019	5,833
Carrying amount	
At 31 December 2019	14,167
At 31 December 2018	16,167

5 Tangible assets

	Total £
Cost or valuation	
At 1 January 2019	21,208
Additions	4,208
Disposals	(9,000)
At 31 December 2019	16,416
Depreciation	
At 1 January 2019	6,109
Charge for the year	3,241
Eliminated on disposal	(2,250)
At 31 December 2019	7,100
Carrying amount	
At 31 December 2019	9,316
At 31 December 2018	15,098

6 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The Director has provided a limited personal guarantee of £20,000 in relation to the bank overdraft.

3C Construction Limited

Notes to the Abridged Financial Statements for the Year Ended 31 December 2019

7 Related party transactions

The company advanced monies to the director totalling £14,256. Interest was charged totalling £46. The loan was unsecured and repaid on 28 March 2019.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.