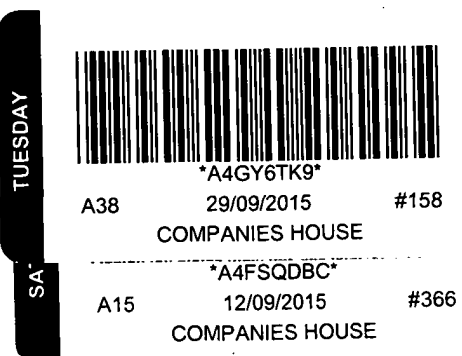


REGISTERED NUMBER: 08330011 (England and Wales)

**Report of the Directors and**  
**Financial Statements**  
**for the Year Ended 31 December 2014**  
**for**  
**Civils Store Limited**



**Civils Store Limited (Registered number: 08330011)****Contents of the Financial Statements  
for the Year Ended 31 December 2014**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>6</b>
<b>Statement of Total Recognised Gains and Losses</b>	<b>7</b>
<b>Balance Sheet</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9</b>

**Civils Store Limited****Company Information**  
**for the Year Ended 31 December 2014****DIRECTORS:**

A R Hampton  
K D Hancock  
J A Lewis  
C4C Ownership Partners Ltd

**REGISTERED OFFICE:**

64 High Street  
Shepton Mallet  
Somerset  
BA4 5AX

**REGISTERED NUMBER:**

08330011 (England and Wales)

**AUDITORS:**

A C Mole & Sons  
Chartered Accountants  
& Statutory Auditor  
Stafford House  
Blackbrook Park Avenue  
Taunton  
Somerset  
TA1 2PX

**Civils Store Limited (Registered number: 08330011)****Report of the Directors  
for the Year Ended 31 December 2014**

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the sale of civil engineering and building materials.

**REVIEW OF BUSINESS**

The significant start up costs in establishing a multi depot operation from commencement have been spread over a 12 month period (second half of 2013 and first half of 2014) negatively impacting two financial reporting periods.

The company incurred a trading loss before tax of £393,273 in the year due to significant start up costs, however, excluding stock write offs and December trading, over 80% of this loss was incurred in the first half of 2014 consistent with the comment above.

In spite of this total revenue for the year to December 2014 was £4.59m an increase of 158% over that of 2013. A further significant increase in revenue is predicted for financial year 2015. There will be no material increases in overheads during 2015 and the business will benefit from further economies of scale.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

A R Hampton  
K D Hancock  
J A Lewis

Other changes in directors holding office are as follows:

C4C Ownership Partners Ltd was appointed as a director after 31 December 2014 but prior to the date of this report.

**CONTINUING BUSINESS**

The financial statements have been prepared on the going concern basis.

Civils Store is becoming more and more recognised within the industry, gaining customer loyalty, trust and additional suppliers and their support. Importantly, the business benefits from a very experienced and knowledgeable work force.

The current trading outlook is positive with the business seeing record sales growth on a month by month basis. With UK construction predicted to grow 18% by 2017, Civils Store and its now established market position will benefit from the pent up demand for infrastructure investment and additional housing requirements.

Events since the end of the reporting period include the opening of a further depot in Somerset (July 2015) which will significantly enhance the coverage of the company, and securing further funding of £100,000 to meet the additional working capital requirement of the increased level of trade.

Recent months have also seen national builders' merchant groups acquire two of the largest independent suppliers in this sector. This will further enhance the Civils Store position as a leading independent and expert supplier of civil engineering materials. The strategies now being pursued will further improve this position in the short term.

In the opinion of the directors the company has progressed from its' initial start up phase to trading as a going concern. Having secured additional funding since the year end the company also has the option to convert some of its long term loan notes into equity in August 2016. This will improve the profitability and further strengthen the balance sheet of the business.

Civils Store is firmly on target to achieve 2015 budgets. It is a business with considerable potential.

On the basis of the above, and having received confirmation of continued support from banking partners and loan note holders, the Directors consider it appropriate for the accounts to be prepared on a going concern basis.

**Civils Store Limited (Registered number: 08330011)**

**Report of the Directors**  
**for the Year Ended 31 December 2014**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

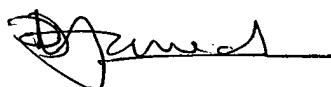
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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 auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



K D Hancock - Director

11 August 2015

**Report of the Independent Auditors to the Members of  
Civils Store Limited**

We have audited the financial statements of Civils Store Limited for the year ended 31 December 2014 on pages six to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors 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 set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Report of the Independent Auditors to the Members of  
Civils Store Limited**

**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 financial statements 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

*Alexandra Shore*

Alexandra Shore FCA CTA (Senior Statutory Auditor)  
for and on behalf of A C Mole & Sons  
Chartered Accountants  
& Statutory Auditor  
Stafford House  
Blackbrook Park Avenue  
Taunton  
Somerset  
TA1 2PX

Date: 24 AUGUST 2015

**Civils Store Limited (Registered number: 08330011)****Profit and Loss Account**  
**for the Year Ended 31 December 2014**

	Notes	Year Ended 31.12.14		Period 13.12.12 to 31.12.13	
		£	£	£	£
<b>TURNOVER</b>			4,597,782		1,777,574
Cost of sales			3,820,156		1,278,969
<b>GROSS PROFIT</b>			777,626		498,605
Distribution costs		731,250		546,303	
Administrative expenses		378,734		253,369	
			1,109,984		799,672
			(332,358)		(301,067)
Other operating income			13,461		336
<b>OPERATING LOSS</b>	2		(318,897)		(300,731)
Interest receivable and similar income			-		25
			(318,897)		(300,706)
Interest payable and similar charges			74,376		18,180
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			(393,273)		(318,886)
Tax on loss on ordinary activities	3		-		-
<b>LOSS FOR THE FINANCIAL YEAR</b>			(393,273)		(318,886)

The notes form part of these financial statements



**Civils Store Limited (Registered number: 08330011)****Statement of Total Recognised Gains and Losses**  
**for the Year Ended 31 December 2014**

	Year Ended 31.12.14 £	Period 13.12.12 to 31.12.13 £
<b>LOSS FOR THE FINANCIAL YEAR</b>	(393,273)	(318,886)
Unrealised surplus on revaluation of properties	-	206,611
Unrealised surplus on revaluation of fixed assets	-	30,608
	<hr/>	<hr/>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b>(393,273)</b> <hr/>	<b>(81,667)</b> <hr/>

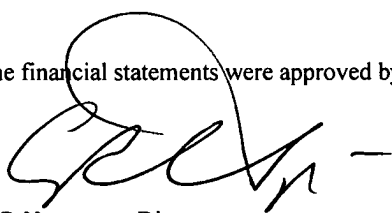
The notes form part of these financial statements

**Civils Store Limited (Registered number: 08330011)****Balance Sheet**  
**31 December 2014**

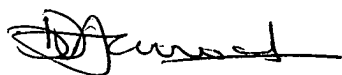
	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	4	1,077,941	1,116,505
<b>CURRENT ASSETS</b>			
Stocks	5	675,594	669,967
Debtors	6	824,244	591,507
Cash in hand		1,808	1,199
		<u>1,501,646</u>	<u>1,262,673</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>1,410,228</u>	<u>1,083,179</u>
<b>NET CURRENT ASSETS</b>		<u>91,418</u>	<u>179,494</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,169,359</u>	<u>1,295,999</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	8	<u>944,299</u>	<u>677,666</u>
<b>NET ASSETS</b>		<u><u>225,060</u></u>	<u><u>618,333</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	700,000	700,000
Revaluation reserve	12	220,807	237,219
Profit and loss account	12	<u>(695,747)</u>	<u>(318,886)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>225,060</u></u>	<u><u>618,333</u></u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 11 August 2015 and were signed on its behalf by:



A R Hampton - Director



K D Hancock - Director

The notes form part of these financial statements

**Civils Store Limited (Registered number: 08330011)****Notes to the Financial Statements**  
**for the Year Ended 31 December 2014****1. ACCOUNTING POLICIES****Basis of preparing the financial statements**

As set out in the Directors Report it is the opinion of the Directors that the company is a going concern and the financial statements have been prepared on the going concern basis.

The current trading outlook is positive with the business seeing record sales growth on a month by month basis. Events since the end of the reporting period include the opening of a further depot in Somerset (July 2015) which will significantly enhance the coverage of the company, and securing further funding of £100,000 to meet the additional working capital requirement of the increased level of trade.

The long term ability of the company to continue as a going concern is reliant on continuing to increase the level of trade and on the continued support of its' banking partners and loan note holders. The Directors have received confirmation of this support and the business has already achieved an increase in trade for the period to 31 May 2015. On this basis the Directors have a reasonable expectation of achieving the desired increase in trade and therefore consider it appropriate to prepare the accounts on the going concern basis.

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 20% on cost
Computer software	- 20% on cost

Freehold land is not depreciated.

Tangible fixed assets are held at cost, with the exception of freehold property and plant and equipment which are held at valuation.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Current and deferred tax**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Distribution costs**

The heading distribution costs in the statutory profit and loss account includes both selling and distribution expenses.

**Civils Store Limited (Registered number: 08330011)****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014****2. OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	Year Ended 31.12.14 £	Period 13.12.12 to 31.12.13 £
Depreciation - owned assets	32,131	4,331
Loss/(profit) on disposal of fixed assets	3,483	(25,689)
Auditors remuneration	6,500	6,500
	<u>90,558</u>	<u>99,561</u>
Directors' remuneration and other benefits etc	<u>90,558</u>	<u>99,561</u>

**3. TAXATION****Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2014 nor for the period ended 31 December 2013.

**4. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Computer software £	Totals £
<b>COST OR VALUATION</b>				
At 1 January 2014	990,000	101,122	29,714	1,120,836
Additions	-	1,250	1,150	2,400
Disposals	-	(10,000)	-	(10,000)
At 31 December 2014	<u>990,000</u>	<u>92,372</u>	<u>30,864</u>	<u>1,113,236</u>
<b>DEPRECIATION</b>				
At 1 January 2014	2,723	122	1,486	4,331
Charge for year	6,534	19,492	6,105	32,131
Eliminated on disposal	-	(1,167)	-	(1,167)
At 31 December 2014	<u>9,257</u>	<u>18,447</u>	<u>7,591</u>	<u>35,295</u>
<b>NET BOOK VALUE</b>				
At 31 December 2014	<u>980,743</u>	<u>73,925</u>	<u>23,273</u>	<u>1,077,941</u>
At 31 December 2013	<u>987,277</u>	<u>101,000</u>	<u>28,228</u>	<u>1,116,505</u>

Included in cost or valuation of land and buildings is freehold land of £663,300 (2013 - £663,300) which is not depreciated.

**Civils Store Limited (Registered number: 08330011)****Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2014****4. TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 December 2014 is represented by:

	Freehold property £	Plant and machinery £	Computer software £	Totals £
Valuation in 2013	206,611	30,608	-	237,219
Cost	783,389	61,764	30,864	876,017
	<u>990,000</u>	<u>92,372</u>	<u>30,864</u>	<u>1,113,236</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2014 £	2013 £
Cost	<u>783,389</u>	<u>783,389</u>
Aggregate depreciation	<u>5,223</u>	<u>2,176</u>
Value of land in freehold land and buildings	<u>522,259</u>	<u>522,259</u>

Freehold land and buildings were valued on an open market basis on 18 February 2013 by Alder King LLP.

Plant and machinery was valued on an open market basis on 8 November 2013 by the directors.

**5. STOCKS**

	2014 £	2013 £
Goods held for resale	<u>675,594</u>	<u>669,967</u>

**6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Trade debtors	762,123	533,498
Other debtors	26,520	11,195
VAT	-	14,654
Prepayments	35,601	32,160
	<u>824,244</u>	<u>591,507</u>

**Civils Store Limited (Registered number: 08330011)****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014****7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Bank loans and overdrafts	57,374	44,066
Debt factor advances	551,409	324,258
Trade creditors	651,320	486,385
Social security and other taxes	33,953	86,351
VAT	20,711	-
Other creditors	46,999	23,624
Deferred consideration	-	92,130
Accrued expenses	48,462	26,365
	<u>1,410,228</u>	<u>1,083,179</u>

**8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2014	2013
	£	£
Loan notes	511,000	211,000
Bank loans due in 2 - 5 years	133,323	133,333
Bank loans due in more than 5 years	<u>299,976</u>	<u>333,333</u>
	<u>944,299</u>	<u>677,666</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans due in more than 5 years	<u>299,976</u>	<u>333,333</u>
	<u>299,976</u>	<u>333,333</u>

£300,000 of loan notes are repayable in May 2016. At this date the loan notes are repayable at par, or, at the discretion of the loan note holder, may be converted into ordinary shares at par.

£211,000 of loan notes are subordinate to the £300,000 loan notes and are accordingly shown as due after more than one year.

**9. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	2014	2013
	£	£
Expiring:		
In more than five years	<u>53,285</u>	<u>53,285</u>

**Civils Store Limited (Registered number: 08330011)****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014****10. SECURED DEBTS**

The following secured debts are included within creditors:

	2014	2013
	£	£
Bank loans	466,630	500,000
Debt factor advances	551,409	324,258
Loan notes	300,000	-
	<u>1,318,039</u>	<u>824,258</u>

The bank loans are secured by a first legal charge over freehold property, and a debenture including a fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital both present and future; and first floating charge over all assets and undertaking both present and future of the company.

Debt factor advances of £551,409 (2013: £324,258) are secured over the related debtors.

Capital for Colleagues PLC has a charge over the freehold property in respect of £300,000 of the loan notes in issue. As disclosed in note 8 these loan notes also rank above the other loan notes in priority.

**11. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014	2013
		£1	£	£
700,000	Ordinary		<u>700,000</u>	<u>700,000</u>

**12. RESERVES**

	Profit and loss account	Revaluation reserve	Totals
	£	£	£
At 1 January 2014	(318,886)	237,219	(81,667)
Deficit for the year	(393,273)		(393,273)
Released in period	16,412	(16,412)	-
At 31 December 2014	<u>(695,747)</u>	<u>220,807</u>	<u>(474,940)</u>

**13. RELATED PARTY DISCLOSURES****Tools and Equipment Limited**

Under common control of one or more company directors

During the year Civils Store Limited sold goods to Tools and Equipment Limited to the value of £645 (2013: £5,308) and bought goods from Tools and Equipment Limited to the value of £7,815 (2013: £18,379). At the year end £nil (2013: £9,893) was owed to Tools and Equipment Limited.

**Civils Store Limited (Registered number: 08330011)****Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2014****13. RELATED PARTY DISCLOSURES - continued****Durnfield Limited**

Under common control of one or more company directors

During the year Civils Store Limited sold goods to Durnfield Limited to the value of £1,467 (2013: £nil) and bought goods from Durnfield Limited to the value of £4,280 (2013: £36,296). At the year end £11,930 (2013: £15,636) was owed to Durnfield Limited and £168 (2013: £nil) was due from Durnfield Limited.

**Midland Construction Limited**

Under common control of one or more company directors

During the year Civils Store Limited sold goods to Midland Construction Limited to the value of £17,624 (2013: £nil) and bought goods from Midland Construction Limited to the value of £12,891 (2013: £nil). At the year end £5,667 (2013: £nil) was due from Midland Construction Limited.

**MIA Solutions Limited**

Under common control of one or more company directors

During the year Civils Store Limited bought services from MIA Solutions Limited to the value of £23,000 (2013: £nil). At the year end £3,102 (2013: £nil) was owed to MIA Solutions Limited.

**CPM Group Limited**

Under significant influence of one or more company directors

During the year Civils Store Limited bought goods from CPM Group Limited to the value of £462,232 (2013: £258,258). At the year end £53,552 (2013: £46,689) was owed to CPM Group Limited.

**Milton Pipes Limited**

Under significant influence of one or more company directors

During the year Civils Store Limited bought goods from Milton Pipes Limited to the value of £88,487 (2013: £67,160). At the year end £16,893 (2013: £16,026) was owed to Milton Pipes Limited.

**2HK Solutions Limited**

Under significant influence of one or more company directors

During the year Civils Store Limited bought goods from 2HK Solutions Limited to the value of £14,963 (2013: £9,350). At the year end £2,213 (2013: £4,691) was owed to 2HK Solutions Limited.

**European Drainage Systems Holdings Limited**

Under common control of one or more company directors

During the year Civils Store Limited sold goods to European Drainage Systems Holdings Limited to the value of £6,480 and bought goods to the value of £363,426 (2013: £237,380). At the year end £68,010 (2013: £43,104) was owed to European Drainage Systems Holdings Limited.

**14. ULTIMATE CONTROLLING PARTY**

No one party controls the company.