

Company Registration No. 07741389 (England and Wales)

**COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2016**

**PAGES FOR FILING WITH REGISTRAR**



# COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	G D Lloyd M A Rees
<b>Company number</b>	07741389
<b>Registered office</b>	5 Pullman Court Great Western Road Gloucester Gloucestershire GL1 3ND
<b>Auditor</b>	Baldwins Audit Services Limited Churchill House 59 Lichfield Street Walsall West Midlands WS4 2BX
<b>Business address</b>	Unit 25 Wonastow Road East Monmouth Gwent NP25 5JB
<b>Bankers</b>	Lloyds Bank Plc 130 High Street Cheltenham Gloucestershire GL50 1EW

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# **COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED**

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# COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED

## INDEPENDENT AUDITOR'S REPORT TO COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED

### UNDER SECTION 449 OF THE COMPANIES ACT 2006

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We have examined the abbreviated accounts which comprise the balance sheet and the related notes, together with the financial statements of County Building Supplies (Monmouth) Limited for the year ended 30 June 2016 prepared under section 396 of the Companies Act 2006.

Our report has been prepared pursuant to the requirements of section 449 of the Companies Act 2006 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of section 449 of the Companies Act 2006 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any person for any other purpose and we have expressly disclaim any and all such liability.

#### Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 'The special auditor's report on abbreviated accounts in the United Kingdom' issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

#### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the uncertainty as to the continuation and renewal of the company's bank overdraft facility. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

#### Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



**Mark Handscombe (Senior Statutory Auditor)**  
for and on behalf of Baldwins Audit Services Limited

5/12/16

**Chartered Accountants**  
**Statutory Auditor**

Churchill House  
59 Lichfield Street  
Walsall  
West Midlands  
WS4 2BX

# COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED

## BALANCE SHEET

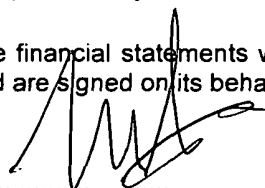
AS AT 30 JUNE 2016

		2016		2015 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4		13,789		7,838
<b>Current assets</b>					
Stocks		192,120		164,650	
Debtors	5	306,109		219,233	
Cash at bank and in hand		35,008		13,644	
		533,237		397,527	
<b>Creditors: amounts falling due within one year</b>	6	(924,050)		(752,958)	
Net current liabilities			(390,813)		(355,431)
<b>Total assets less current liabilities</b>			(377,024)		(347,593)
<b>Capital and reserves</b>					
Called up share capital	7		100		100
Profit and loss reserves			(377,124)		(347,693)
<b>Total equity</b>			(377,024)		(347,593)

The directors of the company have 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 provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 5/12/2016 and are signed on its behalf by:



M A Rees  
Director

Company Registration No. 07741389

# COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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### 1 Accounting policies

#### Company information

County Building Supplies (Monmouth) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5 Pullman Court, Great Western Road, Gloucester, Gloucestershire, GL1 3ND.

#### 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. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2016 are the first financial statements of County Building Supplies (Monmouth) 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 July 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 12.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### 1.3 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.

# COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	Over period of lease
Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	25% 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.

#### 1.4 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.5 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.

#### 1.6 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.

# COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

### 1 Accounting policies

(Continued)

#### 1.7 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 statement of financial position 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.



# COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

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.

### 1.8 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.

### 1.9 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.

# COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 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.

#### **1.10 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.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

### **2 Auditor's remuneration**

	2016	2015
Fees payable to the company's auditor and associates:	£	£
<b>For audit services</b>		
Audit of the company's financial statements	3,390	3,295
	<u>          </u>	<u>          </u>

### **3 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 10 (2015 - 10).

# COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

### 4 Tangible fixed assets

	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 July 2015	6,701	2,222	5,000	13,923
Additions	-	8,834	-	8,834
At 30 June 2016	6,701	11,056	5,000	22,757
<b>Depreciation and impairment</b>				
At 1 July 2015	1,850	1,214	3,021	6,085
Depreciation charged in the year	670	963	1,250	2,883
At 30 June 2016	2,520	2,177	4,271	8,968
<b>Carrying amount</b>				
At 30 June 2016	4,181	8,879	729	13,789
At 30 June 2015	4,851	1,008	1,979	7,838

### 5 Debtors

	2016	2015
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	246,595	144,974
Amounts due from group undertakings	-	37,580
Other debtors	59,347	36,512
Deferred tax asset	305,942	219,066
	167	167
	306,109	219,233

# COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

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

	Notes	2016 £	2015 £
Other borrowings		109,366	91,280
Trade creditors		204,250	121,696
Amounts due to group undertakings		569,284	516,196
Other taxation and social security		21,374	14,225
Other creditors		9,126	2,398
Accruals and deferred income		10,650	7,163
		<u>924,050</u>	<u>752,958</u>

The bank overdraft facility is secured by a fixed and floating charge over the assets of the company. The bank overdraft is also secured by a personal guarantee given by MA Rees and GD Lloyd, directors of the company, of £50,000 each together with an omnibus guarantee and set off arrangement with related companies.

Other borrowings of £109,366 (2015: £91,280) relates to advances under invoice discounting arrangement which is secured by a fixed and floating charge over all book and other debts of the company.

### 7 Called up share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary of £1 each	<u>100</u>	<u>100</u>

### 8 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	55,840	41,500
Between two and five years	197,070	166,000
In over five years	<u>55,250</u>	<u>96,750</u>
	<u>308,160</u>	<u>304,250</u>

# COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

### 9 Financial commitments, guarantees and contingent liabilities

The company has given guarantees to its bankers in respect of facilities provided to related companies. The contingent liability at 30 June 2016 is £1,033,321 (2015: £1,326,097).

### 10 Related party transactions

#### Remuneration of key management personnel

	2016 £	2015 £
Aggregate compensation	-	26,505

During the period the company had the following transactions with County Building Supplies Limited, County Building Supplies (Evesham) Limited, County Building Supplies (Cheltenham) Limited, County Building Supplies (Droitwich) Limited and County Building Supplies (Nuneaton) Limited:-

	2015 £	2015 £
Sales of goods	14,616	16,802
Purchase of goods	233,284	226,302
Management charges paid	45,140	33,414
Other expenses paid	99,597	60,533

At the period end the following balances were outstanding with related parties:-

	2015 £	2015 £
Trade creditor due to County Building Supplies Limited	81,838	25,111
Loan due to County Building Supplies Limited	569,284	516,196
Trade debtor due from County Building Supplies Limited	3,059	1,517
Trade debtor due from County Building Supplies (Evesham) Limited	-	34
		7,631
Trade creditor due to County Building Supplies (Cheltenham) Limited		2,079
Trade debtor due from County Building Supplies (Cheltenham) Limited		705
Trade debtor due from County Building Supplies (Droitwich) Limited	-	67
Loan due from County Building Supplies (Droitwich) Limited	-	29,949
Trade creditor due to County Building Supplies (Nuneaton) Limited	329	-

# COUNTY BUILDING SUPPLIES (MONMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

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### 10 Related party transactions

(Continued)

County Building Supplies Group Limited, County Building Supplies Limited, County Building Supplies (Evesham) Limited, County Building Supplies (Cheltenham) Limited, County Building Supplies (Droitwich) Limited and County Building Supplies (Nuneaton) Limited are subsidiaries of County Building Supplies (Holdings) Limited of which MA Rees and GD Lloyd are directors and controlling shareholders.

An omnibus guarantee and set off agreement is in place to cover the bank overdrafts with Lloyds Bank plc in relation to the company and related companies County Building Supplies Limited, County Building Supplies (Evesham) Limited, County Building Supplies (Cheltenham) Limited, County Building Supplies (Droitwich), County Building Supplies (Nuneaton) Limited, County Building Supplies (Holdings) Limited and County Building Supplies Group Limited. As at 30 June 2016 the contingent liability in respect of facilities provided to related companies is £1,033,321 (2015: £827,057).

County Building Supplies (Holdings) Limited has guaranteed the lease payments over the land and buildings of the company.

The Directors, MA Rees and GD Lloyd, have given a personal guarantee of £50,000 each as security relating to facilities advanced by Lloyds Bank Plc to the following companies, County Building Supplies Limited, County Building Supplies (Cheltenham) Limited, County Building Supplies (Evesham) Limited, County Building Supplies (Droitwich) Limited, County Building Supplies (Nuneaton) Limited and County Building Supplies (Holdings) Limited.

### 11 Control

The ultimate parent company is County Building Supplies (Holdings) Limited. The ultimate controlling parties are MA Rees and GD Lloyd by virtue of owning 76% of the issued share capital of County Building Supplies (Holdings) Limited.