

Advanced Construction Systems Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2024

Advanced Construction Systems Limited

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Advanced Construction Systems Limited

Company Information

Directors

Mr AJ Parker
Mr M J H Hodgskin-Brown
Mr DP Ensell

**Company
secretary**

Mr I Grainger

Registered office

Westhaven House
Arleston Way
Shirley
Solihull
West Midlands
B90 4LH

Auditors

Buckler Spencer Limited
Old Police Station
Church Street
Swadlincote
Derbyshire
DE11 8LN

Advanced Construction Systems Limited

Directors' Report for the Year Ended 30 June 2024

The directors present their report and the financial statements for the year ended 30 June 2024.

Directors of the company

The directors who held office during the year were as follows:

Mr AJ Parker

Mr M J H Hodgskin-Brown

Mr DP Ensell

Going concern

Based on the potential of the company making profits in the next couple of years, the cost cutting efforts over the previous two years, and the level of cash held, the directors believe there is no material uncertainty that may cast doubt on the entity's ability to continue as a going concern.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware. The principal activity of the company is the production and distribution of Fastclad.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved and authorised by the Board on 28 November 2024 and signed on its behalf by:

.....
Mr M J H Hodgskin-Brown
Director

Advanced Construction Systems Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Advanced Construction Systems Limited

Independent Auditor's Report to the Members of Advanced Construction Systems Limited

Opinion

We have audited the financial statements of Advanced Construction Systems Limited (the 'company') for the year ended 30 June 2024, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In accordance with the current standards governing audits we have taken advantage of the Ethical Standards provisions issued by the Financial Reporting Council (FRC), relating to "Ethical Standard - Provisions Available for Small Entities", with reference to manamgent & familiarity threats.

We confirm that there is nothing to report with regard to directors' benefits, remuneration, pensions or compensation for loss of office.

Advanced Construction Systems Limited

Independent Auditor's Report to the Members of Advanced Construction Systems Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page [3](#)], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Advanced Construction Systems Limited

Independent Auditor's Report to the Members of Advanced Construction Systems Limited

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and, considered the risk of acts by management and the directors of the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006 and the Financial Reporting Standard 102. We made enquiries of the directors of the company to obtain further understanding of risks of non-compliance.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management regarding known or suspected instances of non-compliance with laws and regulations;
- review of minutes of the director and management board meetings throughout the year; and
- obtaining an understanding of the control environment in place to prevent and detect irregularities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 an auditor's report 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.

.....
David Bezant FCCA (Senior Statutory Auditor)
For and on behalf of Buckler Spencer Limited, Statutory Auditor

Old Police Station
Church Street
Swadlincote
Derbyshire
DE11 8LN

28 November 2024

Advanced Construction Systems Limited

Profit and Loss Account and Statement of Retained Earnings for the Year Ended 30 June 2024

	Note	2024 £	2023 £
Turnover	3	700,375	779,220
Cost of sales		<u>(402,433)</u>	<u>(363,141)</u>
Gross profit		297,942	416,079
Administrative expenses		<u>(551,511)</u>	<u>(675,452)</u>
Operating loss	5	<u>(253,569)</u>	<u>(259,373)</u>
Loss before tax		(253,569)	(259,373)
Taxation	8	<u>69,394</u>	<u>54,322</u>
Loss for the financial year		(184,175)	(205,051)
Retained earnings brought forward		<u>(531,591)</u>	<u>(326,540)</u>
Retained earnings carried forward		<u><u>(715,766)</u></u>	<u><u>(531,591)</u></u>

Advanced Construction Systems Limited

(Registration number: 05837352)

Balance Sheet as at 30 June 2024

	Note	2024 £	2023 £
Current assets			
Stocks	10	183,773	163,530
Debtors	11	309,183	178,331
Cash at bank and in hand		130	23,280
		<u>493,086</u>	<u>365,141</u>
Creditors: Amounts falling due within one year	13	<u>(708,852)</u>	<u>(396,732)</u>
Net liabilities		<u>(215,766)</u>	<u>(31,591)</u>
Capital and reserves			
Called up share capital		500,000	500,000
Retained earnings		<u>(715,766)</u>	<u>(531,591)</u>
Shareholders' deficit		<u>(215,766)</u>	<u>(31,591)</u>

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.

Approved and authorised by the Board on 28 November 2024 and signed on its behalf by:

.....

Mr M J H Hodgskin-Brown
Director

Advanced Construction Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

1 General information

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

The address of its registered office is:

Westhaven House
Arleston Way
Shirley
Solihull
West Midlands
B90 4LH

The principal place of business is:

FastClad Building
Granite Close
Enderby
Leicestershire
LE19 4AE

These financial statements were authorised for issue by the Board on 28 November 2024.

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 financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These 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 presentation of the financial statements is in pound sterling and is rounded to the nearest £1.

Summary of disclosure exemptions

The company has elected to take up certain exemptions in accordance with S1A of FRS 102 which include:

1. Preparation of a cash flow statement
2. Preparation of a strategic report
3. Disclosure of key management remuneration.

Going concern

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

Advanced Construction Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

Key sources of estimation uncertainty

The main source of estimation uncertainty relates to the recoverable amount of the fixed assets. The client has adopted a depreciation method based on their knowledge of the business assets and their useful life and these assets are reviewed for signs of impairment regularly.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and 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.

The company recognises revenue when:

The amount of revenue can be reliably measured which is when the cladding is despatched;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Government grants

Government grants received have been recognised within the financial statements based on the date the claims for grant money were submitted

Tax

The tax expense for the period comprises current 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.

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 taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position 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. The company does not capitalise any interest charges incurred during the asset acquisition and installation processes.

Tangible assets are reviewed monthly for potential signs of impairment during the stock take and are also reviewed annually by management. Any impairment is assessed and adjusted as required are made.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant & Machinery	25% on cost

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Advanced Construction Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

Trade debtors

Trade debtors are amounts due from customers for merchandise sold in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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.

Defined benefit pension obligation

Contributions to the defined benefit scheme are charged to the Profit and Loss Account at rates determined by an independent actuary so as to spread the cost of pensions over employees' working lives. Contributions to the defined contribution scheme are charged to the Profit and Loss Account as they become payable.

3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2024	2023
	£	£
Sale of goods	700,375	779,220

4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2024	2023
	£	£
Gain on disposal of tangible assets	500	-

Advanced Construction Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

5 Operating loss

Arrived at after charging/(crediting)

	2024	2023
	£	£
Profit on disposal of property, plant and equipment	(500)	-

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2024	2023
	£	£
Wages and salaries	389,550	399,565
Social security costs	34,232	36,315
Pension costs, defined contribution scheme	21,319	22,296
Redundancy costs	5,726	21,000
Other employee expense	5,104	3,580
	<u>455,931</u>	<u>482,756</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2024	2023
	No.	No.
Production	8	10
Administration and support	4	5
	<u>12</u>	<u>15</u>

7 Auditors' remuneration

	2024	2023
	£	£
Audit of the financial statements	<u>2,303</u>	<u>2,142</u>
Other fees to auditors		
All other services relating to corporate finance transactions on behalf of the company or any associates	<u>1,727</u>	<u>1,607</u>

Advanced Construction Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

8 Taxation

Tax charged/(credited) in the profit and loss account

	2024 £	2023 £
Current taxation		
UK corporation tax	<u>(69,394)</u>	<u>(54,322)</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2023 - the same as the standard rate of corporation tax in the UK) of 19% (2023 - 19%).

The differences are reconciled below:

	2024 £	2023 £
Loss before tax	<u>(253,569)</u>	<u>(259,373)</u>
Corporation tax at standard rate	<u>(69,394)</u>	<u>(54,322)</u>
Total tax credit	<u>(69,394)</u>	<u>(54,322)</u>

Deferred tax

Deferred tax assets and liabilities

It is expected that the level of capital allowances claimed will be above the level of depreciation charged as of next year. In the past, the company has been able to tax advantage of group losses. It is not anticipated this will be available going forward in future years.

Advanced Construction Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

9 Tangible assets

	Other property, plant & equipment £	Total £
Cost or valuation		
At 1 July 2023	14,699	14,699
At 30 June 2024	14,699	14,699
Depreciation		
At 1 July 2023	14,699	14,699
At 30 June 2024	14,699	14,699
Carrying amount		
At 30 June 2024	-	-

10 Stocks

	2024 £	2023 £
Finished goods and goods for resale	183,773	163,530

11 Debtors

	Note	2024 £	2023 £
Current			
Trade debtors		213,167	122,593
Amounts owed by related parties		21,705	-
Prepayments		74,311	55,738
		309,183	178,331

12 Cash and cash equivalents

	2024 £	2023 £
Cash on hand	130	408
Cash at bank	-	22,872
	130	23,280
Bank overdrafts	(8,088)	-
Cash and cash equivalents in statement of cash flows	(7,958)	23,280

Advanced Construction Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

13 Creditors

	Note	2024 £	2023 £
Due within one year			
Loans and borrowings	16	8,088	-
Trade creditors		111,994	83,699
Amounts due to related parties		554,938	259,459
Social security and other taxes		22,462	10,353
Accruals		11,370	43,221
		<u>708,852</u>	<u>396,732</u>

14 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £21,319 (2023 - £22,296).

15 Share capital

Allotted, called up and fully paid shares

	2024		2023	
	No.	£	No.	£
Ordinary of £1 each	500,000	500,000	500,000	500,000
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

16 Loans and borrowings

Current loans and borrowings

	2024 £	2023 £
Bank overdrafts	<u>8,088</u>	<u>-</u>

17 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

Advanced Construction Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2024

	2024 £	2023 £
Not later than one year	16,623	16,623
Later than one year and not later than five years	17,379	34,001
	<u>34,002</u>	<u>50,624</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £16,622 (2023 - £6,492).

18 Contingent liabilities

The bank account is part of a common bank account known as "Smith Companies Group Account" which has been guaranteed jointly and severally by E H Smith Holdings Limited, all its subsidiary companies and other non-group companies in which its shareholders and directors have interest. At 30 June 2024 there was no liability under this guarantee (2023 nil).

19 Parent and ultimate parent undertaking

The company's immediate parent is EH Smith (Holdings) Ltd, incorporated in UK.

The most senior parent entity producing publicly available financial statements is EH Smith (Holdings) Ltd. These financial statements are available upon request from Companies House Website