

D.C. CONSTRUCTION LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

PAGES FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2020

D.C. CONSTRUCTION LIMITED
REGISTERED NUMBER:02705721

BALANCE SHEET
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	<u>2,036</u>	<u>3,392</u>
		2,036	3,392
Current assets			
Stocks		-	14,128
Debtors: amounts falling due within one year	5	189,947	301,161
Cash at bank and in hand		<u>945</u>	<u>39,711</u>
		190,892	355,000
Creditors: amounts falling due within one year	6	<u>(120,808)</u>	<u>(200,804)</u>
Net current assets		<u>70,084</u>	<u>154,196</u>
Total assets less current liabilities		<u>72,120</u>	<u>157,588</u>
Provisions for liabilities			
Deferred tax	7	<u>-</u>	<u>(81)</u>
		<u>-</u>	<u>(81)</u>
Net assets		<u><u>72,120</u></u>	<u><u>157,507</u></u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		<u>71,120</u>	<u>156,507</u>
		<u><u>72,120</u></u>	<u><u>157,507</u></u>

D.C. CONSTRUCTION LIMITED
REGISTERED NUMBER:02705721

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2020

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

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 June 2021.

D C Clements
Director

The notes on pages 3 to 9 form part of these financial statements.

D.C. CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. General information

D.C. Construction Limited is a private company limited by share capital, incorporated in England and Wales, registration number 02705721. The address of the registered office is Fitzroy House, Crown Street, Ipswich, Suffolk IP1 3LG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The director is temporarily halting trade whilst awaiting the outcome of certain re-financing initiatives.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

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

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

Contracts are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses: turnover is ascertained by reference to the stage of completion of the contract. Where it is considered that the outcome of a contract can be

assessed with reasonable certainty before its conclusion, attributable profit is recognised in the profit and loss account. The amount by which recorded turnover on contracts is in excess of payments on account is included in debtors as amounts recoverable on contracts. Any balance of payments on account on a contract is disclosed separately in creditors.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

D.C. CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	25%	Straight Line
Motor vehicles	-	25%	Straight Line
Office equipment	-	20%	Straight Line
Computer equipment	-	33%	Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

D.C. CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 14 (2019 - 15).

D.C. CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4. Tangible fixed assets

	Plant and machinery	Motor vehicles	Office equip.	Computer equip.	Total
	£	£	£	£	£
Cost or valuation					
At 1 July 2019	19,565	69,657	18,440	14,121	121,783
At 30 June 2020	<u>19,565</u>	<u>69,657</u>	<u>18,440</u>	<u>14,121</u>	<u>121,783</u>
Depreciation					
At 1 July 2019	19,565	69,657	15,048	14,121	118,391
Charge for the year on owned assets	-	-	1,356	-	1,356
At 30 June 2020	<u>19,565</u>	<u>69,657</u>	<u>16,404</u>	<u>14,121</u>	<u>119,747</u>
Net book value					
At 30 June 2020	<u>-</u>	<u>-</u>	<u>2,036</u>	<u>-</u>	<u>2,036</u>
At 30 June 2019	<u>-</u>	<u>-</u>	<u>3,392</u>	<u>-</u>	<u>3,392</u>

5. Debtors

	2020 £	2019 £
Trade debtors	134,837	212,048
Other debtors	14,624	33,020
Prepayments and accrued income	38,592	16,360
Amounts recoverable on long term contracts	-	39,733
Deferred taxation	1,894	-
	<u>189,947</u>	<u>301,161</u>

D.C. CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Payments received on account	-	70,712
Trade creditors	97,697	79,523
Corporation tax	-	3,816
Other taxation and social security	9,061	13,694
Other creditors	2,530	24,286
Accruals and deferred income	11,520	8,773
	<u>120,808</u>	<u>200,804</u>

7. Deferred taxation

	2020 £
At beginning of year	(81)
Charged to profit or loss	1,975
At end of year	<u>1,894</u>

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Tax losses carried forward	1,975	-
Excess of capital allowances over depreciation	(81)	(81)
	<u>1,894</u>	<u>(81)</u>

8. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £18,126 (2019 - £6,717). Contributions totalling £2,259 (2019 - £2,115) were payable to the fund at 30 June 2020.

D.C. CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

9. Commitments under operating leases

At 30 June 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2019	2018
	£	£
Not later than 1 year	9,379	7,221
Later than 1 year and not later than 5 years	-	9,379
	<u>9,379</u>	<u>16,600</u>

10. Related party transactions

During the year the company paid rent of £7,400 to D Clements (2019: £7,400).