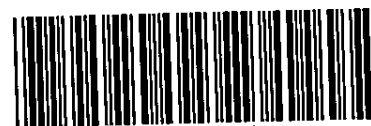


Company Registration No. 03864842 (England and Wales)

ARK BUILD PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012

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COMPANIES HOUSE

ARK BUILD PLC

COMPANY INFORMATION

Directors	C Cole M Finlay A Stanton
Secretary	A Montlake
Company number	03864842
Registered office	Unit 12 Loughton Business Centre Langston Road Loughton Essex IG10 3FL
Auditors	hjs Chartered Accountants and Registered Auditors C/o hjs Chartered Accountants 12-14 Carlton Place Southampton Hampshire United Kingdom SO15 2EA
Solicitors	H Montlake and Co 197 High Road Ilford Essex IG1 1LX

ARK BUILD PLC

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ARK BUILD PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2012

The directors present their report and financial statements of the company for the year ended 31 October 2012

Principal activities and review of business

The principal activity of the company in the year under review was that of general building contractors operating commercially across office, hotel, industrial and residential sections

We are pleased to report another profitable trading year with increased turnover. In line with our agreed strategy, we have continued to extend our client base and this has been key to providing additional opportunities for tendering and securing work. We will maintain this strategy which we believe will be instrumental in maintaining the growth of the company.

Key performance indicators

Our turnover for 2012 was £10.93 million showing a significant increase over 2011 (£7.95m). Margins have been reduced from 22.42% last year to 17.94% this year which we believe is a reflection of market forces in a highly competitive environment. However, with continued efficiency throughout the company and by maintaining our aim to produce good quality work first time, we aim to improve margins next year.

Strategy

In line with our agreed strategy, we have continued to expand our client base both in terms of markets and geography. This has proved to be highly successful and enabled us to absorb the anticipated downturn in existing client opportunities. We will continue with this strategy which has stood us in good stead over the years and also look to broaden opportunities with existing clients through repeat business.

Principal risks and uncertainties

Depressed economic market

- As with the previous year, a depressed economy has had an adverse effect on the whole industry. There are clear signs that too many contractors are chasing too little work and this is reflected in a highly competitive tender environment. Our mitigation has been to ensure a strong balance in our portfolio spreading over all industry sectors and placement on framework agreements with both existing and new clients. This is underpinned by an ethos to win repeat business at every opportunity, which we have done.

Financially insecure clients

- Our client base is made up of a number of Blue Chip companies and Government bodies with excellent covenants. This minimises our financial risk in the critical period between execution of work and payment.

Control Procedures

- We have a robust procurement process in place to ensure vigilance when choosing our suppliers and sub-contractors in order to maintain competitiveness and quality. We routinely monitor the financial wherewithal and quality performance of our sub-contractors and suppliers to marginalise our risk and maintain the quality and delivery expected of us by our exacting clients. This also enables us to forecast with greater accuracy and adjudicate against tenders and future contracts.

Company Governance

- Risks are a constant agenda item and are formally and regularly reviewed by the Board with appropriate processes in place to monitor and mitigate them.

ARK BUILD PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2012

Productivity labour

Our labour policy of delivering a large proportion of our service using a highly skilled directly employed workforce continues to give us significant market advantage. This strategy has proved to be extremely beneficial in terms of controlling and achieving the quality of products expected by our clients. We have continued to promote and reward from within which enables us to maintain a highly motivated workforce.

Results and dividends

The results for the year are set out on page 6.

No dividends will be distributed for the year ended 31 October 2012.

Future Developments

We go into 2013, again with a strong order book, which gives us confidence that we will continue to grow and develop the business in line with targets.

Our primary strategy remains to build relationships with existing and perspective clients and secure repeat work thereby maximising profitability.

We will maintain the financial strength of the business by retaining a healthy cash position which will give us the flexibility to pursue exceptional business opportunities as they arise.

We will also actively engage in the promotion of our brand through premium service delivery and strategic advertising.

Directors

The following directors have held office since 1 November 2011:

C Cole

M Finlay

K Manning

(Resigned 28 September 2012)

A Stanton

Charitable donations

2012

£

2011

£

During the year the company made the following payments:

Charitable donations

24,924

12,885

Creditor payment policy

The company makes payments to its suppliers within the payment terms agreed on an individual basis. Generally, suppliers are paid on normal trading terms with 60 days.

Creditor days during the period were 45.

Auditors

The auditors, HJS, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ARK BUILD PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2012

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



M. Finlay

Director

26/3/2013

ARK BUILD PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARK BUILD PLC

We have audited the financial statements of Ark Build plc for the year ended 31 October 2012 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, 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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 October 2012 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

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

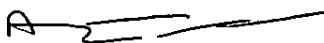
ARK BUILD PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF ARK BUILD PLC

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



Angela Trainor (Senior Statutory Auditor)
for and on behalf of hjs Chartered Accountants and
Registered Auditors

28/3/13

Chartered Accountants
Statutory Auditor

C/o hjs Chartered Accountants
12-14 Carlton Place
Southampton
Hampshire
United Kingdom
SO15 2EA

ARK BUILD PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2012

	Notes	2012 £	2011 £
Turnover	2	10,925,629	7,953,657
Cost of sales		(8,965,590)	(6,170,250)
Gross profit		1,960,039	1,783,407
Administrative expenses		(1,578,327)	(1,659,136)
Operating profit	3	381,712	124,271
Other interest receivable and similar income	4	16,649	4,008
Interest payable and similar charges	5	(4,688)	(5,641)
Profit on ordinary activities before taxation		393,673	122,638
Tax on profit on ordinary activities	6	(133,485)	(61,451)
Profit for the year	13	260,188	61,187

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

ARK BUILD PLC

BALANCE SHEET

AS AT 31 OCTOBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	8		152,123		124,425
Current assets					
Debtors amounts falling due within one year	9	621,661		1,206,894	
Debtors amounts falling due after more than one year	9	324,165		324,165	
Cash at bank and in hand		2,315,479		1,175,714	
		<u>3,261,305</u>		<u>2,706,773</u>	
Creditors, amounts falling due within one year	10	<u>(1,340,393)</u>		<u>(1,025,495)</u>	
Net current assets			1,920,912		1,681,278
Total assets less current liabilities			2,073,035		1,805,703
Provisions for liabilities	11		(13,934)		(6,789)
			<u>2,059,101</u>		<u>1,798,914</u>
Capital and reserves					
Called up share capital	12		50,000		50,000
Profit and loss account	13		2,009,101		1,748,914
Shareholders' funds	14		<u>2,059,101</u>		<u>1,798,914</u>

Approved by the Board and authorised for issue on 26/3/13


M Finlay
Director

Company Registration No. 03864842

ARK BUILD PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2012

	£	2012 £	£	2011 £
Net cash inflow/(outflow) from operating activities		1,249,664		(19,438)
Returns on investments and servicing of finance				
Interest received	16,649		4,008	
Interest paid	-		(5,477)	
Net cash inflow/(outflow) for returns on investments and servicing of finance		16,649		(1,469)
Taxation		(56,105)		(195,532)
Capital expenditure				
Payments to acquire tangible assets	(70,443)		(18,031)	
Receipts from sales of tangible assets	-		3,900	
Net cash outflow for capital expenditure		(70,443)		(14,131)
Net cash inflow/(outflow) before management of liquid resources and financing		1,139,765		(230,570)
Financing				
Capital element of hire purchase contracts	-		(11,163)	
Net cash outflow from financing		-		(11,163)
(Decrease)/increase in cash in the year		<u>1,139,765</u>		<u>(241,733)</u>

ARK BUILD PLC

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2012

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2012	2011		
		£	£		
	Operating profit	381,712	124,271		
	Depreciation of tangible assets	42,745	41,475		
	Profit on disposal of tangible assets	-	(397)		
	Decrease in debtors	585,233	186,643		
	Increase/(decrease) in creditors within one year	239,975	(371,430)		
	Net cash inflow/(outflow) from operating activities	1,249,665	(19,438)		
2	Analysis of net funds	1 November 2011	Cash flow	Other non-cash changes	31 October 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,175,714	1,139,765	-	2,315,479
	Bank deposits	-	-	-	-
	Net funds	1,175,714	1,139,765	-	2,315,479
3	Reconciliation of net cash flow to movement in net funds	2012	2011		
		£	£		
	Increase/(decrease) in cash in the year	1,139,765	(241,733)		
	Cash (inflow)/outflow from (increase)/decrease in debt	-	11,162		
	Movement in net funds in the year	1,139,765	(230,571)		
	Opening net funds	1,175,714	1,406,285		
	Closing net funds	2,315,479	1,175,714		

ARK BUILD PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents net invoiced sales of services, excluding value added tax

1.4 Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Plant and machinery	25% on reducing balance
Fixtures, fittings & equipment	25% on reducing balance
Motor vehicles	25% on reducing balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.7 Pensions

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

1.8 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is not discounted.

ARK BUILD PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2012

2 Turnover

Geographical market

	Turnover	
	2012	2011
	£	£
UK	10,925,629	7,953,657
	<u>10,925,629</u>	<u>7,953,657</u>

An analysis of turnover by geographical market is given above

3 Operating profit

	2012	2011
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	42,745	41,475
Operating lease rentals	56,751	61,046
Fees payable to the company's auditor for the audit of the company's annual accounts	4,100	4,000
and after crediting		
Profit on disposal of tangible assets	-	(397)
	<u>-</u>	<u>(397)</u>

4 Investment income

	2012	2011
	£	£
Bank interest	16,649	4,008
	<u>16,649</u>	<u>4,008</u>

5 Interest payable

	2012	2011
	£	£
On bank loans and overdrafts	4,688	164
Hire purchase interest	-	1,104
On overdue tax	-	4,373
	<u>4,688</u>	<u>5,641</u>

ARK BUILD PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2012

6	Taxation	2012 £	2011 £
	Domestic current year tax		
	U K corporation tax	131,956	61,721
	Adjustment for prior years	(5,616)	-
	Total current tax	<u>126,340</u>	<u>61,721</u>
	Deferred tax		
	Origination and reversal of timing differences	7,145	(270)
		<u>133,485</u>	<u>61,451</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>393,673</u>	<u>122,638</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.37% (2011 - 26.00%)	<u>95,922</u>	<u>31,886</u>
	Effects of		
	Depreciation	10,415	10,680
	Entertainment	37,637	25,309
	Capital allowances	(12,018)	(6,154)
	Adjustments to previous periods	(5,616)	-
		<u>30,418</u>	<u>29,835</u>
	Current tax charge for the year	<u>126,340</u>	<u>61,721</u>

7 Pension and other post-retirement benefit commitments

The company operates a defined contributions scheme in respect of its employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £97,945 (2011: £128,000).

	2012 £	2011 £
Contributions payable by the company for the year	<u>97,945</u>	<u>128,000</u>

ARK BUILD PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2012

8 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 November 2011	17,000	56,445	279,313	352,758
Additions	-	23,607	46,836	70,443
At 31 October 2012	17,000	80,052	326,149	423,201
Depreciation				
At 1 November 2011	12,406	35,742	180,185	228,333
Charge for the year	1,148	9,086	32,511	42,745
At 31 October 2012	13,554	44,828	212,696	271,078
Net book value				
At 31 October 2012	3,446	35,224	113,453	152,123
At 31 October 2011	4,594	20,703	99,128	124,425

9 Debtors

	2012 £	2011 £
Trade debtors	334,547	967,612
Amounts recoverable on long term contracts	212,802	152,146
Called up share capital not paid	23,848	23,848
Other debtors	374,629	387,453
	<u>945,826</u>	<u>1,531,059</u>
Amounts falling due after more than one year and included in the debtors above are		
	2012 £	2011 £
Other debtors	<u>324,165</u>	<u>324,165</u>

ARK BUILD PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2012

10 Creditors: amounts falling due within one year	2012 £	2011 £
Trade creditors	307,722	197,781
Corporation tax	131,956	61,721
Other taxes and social security costs	207,483	287,332
Other creditors	73,265	34,583
Accruals and deferred income	619,967	444,078
	<u>1,340,393</u>	<u>1,025,495</u>

11 Provisions for liabilities

	Deferred tax liability £
Balance at 1 November 2011	6,789
Profit and loss account	7,145
	<u>13,934</u>
Balance at 31 October 2012	<u>13,934</u>

The deferred tax liability is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	<u>13,934</u>	<u>6,789</u>

12 Share capital

	2012 £	2011 £
Allotted, called up and fully paid 50,000 Ordinary Shares of £1 each	<u>50,000</u>	<u>50,000</u>

ARK BUILD PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2012

13 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 November 2011	1,748,913
Profit for the year	260,188
Balance at 31 October 2012	<u>2,009,101</u>

14 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	260,188	61,187
Opening shareholders' funds	<u>1,798,914</u>	<u>1,737,727</u>
Closing shareholders' funds	<u>2,059,101</u>	<u>1,798,914</u>

15 Contingent liabilities

During the course of the year the company has entered into guarantees with some of their customers totalling £156,692 (2011 - £352,648)

16 Financial commitments

At 31 October 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2013

	Land and buildings	
	2012 £	2011 £
Operating leases which expire in over five years	<u>60,000</u>	<u>60,000</u>

ARK BUILD PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2012

17 Directors' remuneration

	2012 £	2011 £
--	-----------	-----------

Remuneration for qualifying services	448,573	544,882
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Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	175,623	270,382
--------------------------------------	---------	---------

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Trades	63	73
Directors	4	4
	67	77

Employment costs

	2012 £	2011 £
Wages and salaries	2,504,448	2,593,665
Social security costs	276,154	271,951
Other pension costs	97,945	128,000
	2,878,547	2,993,616

19 Control

The company is under the control of M Finlay, a director of the company, due to his majority shareholding

ARK BUILD PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2012

20 Related party relationships and transactions

Beachview Corporation Limited

During the year under review the company has traded with Beachview Corporation Limited, a company which M J Finlay is a director and holds all of the issued share capital

The company has purchased services to the value of £nil (2011 £122,840) inclusive of VAT

The balance owing at the end of the year to Beachview Corporation Limited is £nil (2011 £nil)

Robert Joseph Developments Limited

Robert Joseph Developments Limited is a company which M J Finlay and C Cole are directors and M J Finlay holds a majority shareholding The company was dissolved on 19th March 2013

The company has purchased services to the value of £nil (2011 £nil) inclusive of VAT from Robert Joseph Developments Limited

The balance owing at the end of the year, to Robert Joseph Developments Limited is £nil (2011 £nil)

Pension scheme

During the year to 31 October 2011 the company loaned the Ark Build Executive Pension Scheme £360,000 This is repayable over 10 years and at the balance sheet date £324,165 (2011 £354,974) was due from the pension scheme to the company Interest is charged at a commercial rate