

Company Registration No. 03864842 (England and Wales)

**ARK BUILD PLC**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 OCTOBER 2014**

# ARK BUILD PLC

## COMPANY INFORMATION

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<b>Directors</b>	C Cole M Finlay A Stanton Mr K D Robinson
<b>Secretary</b>	A Montlake
<b>Company number</b>	03864842
<b>Registered office</b>	Unit 12 Loughton Business Centre Langston Road Loughton Essex IG10 3FL
<b>Auditors</b>	HJS Accountants Limited Chartered Accountants and Statutory Auditors 12 -14 Carlton Place Southampton Hampshire England SO15 2EA
<b>Solicitors</b>	H Montlake and Co 197 High Road Ilford Essex IG1 1LX

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# ARK BUILD PLC

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# ARK BUILD PLC

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 OCTOBER 2014

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The directors present the strategic report and financial statements for the year ended 31 October 2014.

#### **Review of the business**

##### Fair review of the business

We are pleased to report another profitable trading year. In line with our agreed strategy, we have continued our relationship with our existing clients and it is very pleasing to see the repeat business increase year on year. We are also extending 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.

##### Principle Risks and Uncertainties

###### Economic market

We have noticed a considerable uplift in the UK construction market over the last 12 months which has led to greater opportunities and enabled the company to grow. Our risks and uncertainties are much harder to gauge and close monitoring of price fluctuations are required to maintain our commercial edge. Tendering is still subject to highly competitive pricing but we continue to look for efficiencies to keep us ahead of competition. This is underpinned by an ethos to win repeat business and partnering with existing and new clients at every opportunity which we continue to do.

###### 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.

##### Key Performance Indicators

Our turnover for 2014 was £9,971,713 showing an increase over 2013 £1,569,664. We have continued this efficiency into 2015 and our aim is to produce excellent quality work first time which we anticipate will maintain our profitability.

On behalf of the board

M Finlay

**Director**

17 April 2015

# **ARK BUILD PLC**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 OCTOBER 2014***

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### **Results and dividends**

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

The directors do not recommend payment of an ordinary dividend.

### **Future developments**

We go into 2015, 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 prospective clients and secure repeat work therefore 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 with a new exciting website.

With an improving market we are receiving the highest level of enquiries and look forward to the next twelve months with confidence.

### **Directors**

The following directors have held office since 1 November 2013:

C Cole  
M Finlay  
A Stanton  
Mr K D Robinson

### **Auditors**

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

# ARK BUILD PLC

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 OCTOBER 2014**

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### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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.

### Disclosure in the Strategic Report

In accordance with s414C(11) of the Companies Act 2006, the company has prepared a strategic report for the year ended 31 October 2014. This includes a review of business and future developments of the company

On behalf of the board

M Finlay

**Director**

17 April 2015

# **ARK BUILD PLC**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARK BUILD PLC**

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We have audited the financial statements of Ark Build plc for the year ended 31 October 2014 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 2 - 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2014 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 Strategic Report and 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**

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#### **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 Accountants Limited**

17 April 2015

Chartered Accountants and Statutory Auditors  
12 -14 Carlton Place  
Southampton  
Hampshire  
England  
SO15 2EA



## ARK BUILD PLC

### PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 OCTOBER 2014**

	Notes	2014 £	2013 £
Turnover	2	9,975,341	8,405,185
Cost of sales		(7,471,578)	(6,366,122)
<b>Gross profit</b>		2,503,763	2,039,063
Distribution costs		(107,004)	(101,046)
Administrative expenses		(1,797,806)	(1,463,668)
<b>Operating profit</b>	3	598,953	474,349
Other interest receivable and similar income	4	28,394	37,378
<b>Profit on ordinary activities before taxation</b>		627,347	511,727
Tax on profit on ordinary activities	5	(171,375)	(157,369)
<b>Profit for the year</b>	12	455,972	354,358

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 2014

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	6		143,009		125,192
<b>Current assets</b>					
Debtors: amounts falling due within one year	7	2,341,640		1,224,734	
Debtors: amounts falling due after more than one year	7	372,715		676,934	
Cash at bank and in hand		2,007,578		1,908,667	
		<u>4,721,933</u>		<u>3,810,335</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(1,989,508)</u>		<u>(1,511,085)</u>	
<b>Net current assets</b>			<u>2,732,425</u>		<u>2,299,250</u>
<b>Total assets less current liabilities</b>			<u>2,875,434</u>		<u>2,424,442</u>
<b>Provisions for liabilities</b>	9		<u>(6,003)</u>		<u>(10,983)</u>
			<u>2,869,431</u>		<u>2,413,459</u>
<b>Capital and reserves</b>					
Called up share capital	11		50,000		50,000
Profit and loss account	12		<u>2,819,431</u>		<u>2,363,459</u>
<b>Shareholders' funds</b>	13		<u>2,869,431</u>		<u>2,413,459</u>

Approved by the Board and authorised for issue on 17 April 2015

M Finlay  
Director

Company Registration No. 03864842

# ARK BUILD PLC

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2014

	£	2014 £	£	2013 £
<b>Net cash inflow/(outflow) from operating activities</b>		148,425		(299,685)
<b>Returns on investments and servicing of finance</b>				
Interest received	28,394		37,378	
<b>Net cash inflow for returns on investments and servicing of finance</b>		28,394		37,378
<b>Taxation</b>		(160,319)		(131,958)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(91,591)		(20,048)	
Receipts from sales of tangible assets	18,800		7,501	
Loans issued in the year	(181,211)		-	
Loans repaid in the year	332,133		-	
<b>Net cash outflow for capital expenditure</b>		78,131		(12,547)
<b>Net cash outflow before management of liquid resources and financing</b>		94,631		(406,812)
<b>Decrease in cash in the year</b>		94,631		(406,812)

# ARK BUILD PLC

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2014

1 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities		2014	2013
		£	£
Operating profit		598,953	474,349
Depreciation of tangible assets		58,266	40,942
Profit on disposal of tangible assets		(3,291)	(1,464)
Increase in debtors		(963,609)	(955,842)
Increase in creditors within one year		458,106	142,330
<b>Net cash inflow/(outflow) from operating activities</b>		<b>148,425</b>	<b>(299,685)</b>
2 Analysis of net funds		Cash flow	Other non-cash changes
1 November 2013	31 October 2014		
£	£	£	£
Net cash:			
Cash at bank and in hand	1,908,667	98,911	-
Bank overdrafts	-	(4,280)	-
	<u>1,908,667</u>	<u>94,631</u>	<u>-</u>
<b>Net funds</b>	<b><u>1,908,667</u></b>	<b><u>94,631</u></b>	<b><u>-</u></b>
3 Reconciliation of net cash flow to movement in net funds		2014	2013
		£	£
Increase/(decrease) in cash in the year		94,631	(406,812)
<b>Movement in net funds in the year</b>		<b>94,631</b>	<b>(406,812)</b>
Opening net funds		1,908,667	2,315,479
<b>Closing net funds</b>		<b><u>2,003,298</u></b>	<b><u>1,908,667</u></b>

# ARK BUILD PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 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. Revenue is recognised over the project as completed based on valuations by quantity surveyors on a project by project basis. Where part of the project has been completed but not invoiced this is included in accrued income.

#### 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% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

#### 1.5 Leasing

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

#### 1.6 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.

#### 1.7 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.

### 2 Turnover

#### Geographical market

	Turnover	
	2014	2013
	£	£
UK	9,975,341	8,405,185
	<u>9,975,341</u>	<u>8,405,185</u>

An analysis of turnover by geographical market is given above.

# ARK BUILD PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

<b>3</b>	<b>Operating profit</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	58,266	40,942
	Operating lease rentals	80,223	69,211
	Fees payable to the company's auditor for the audit of the company's annual accounts	4,600	4,950
	Fees Payable to the company's bookkeeper and accountant	8,538	3,855
	and after crediting:		
	Profit on disposal of tangible assets	(3,291)	(1,464)
		<u><u>          </u></u>	<u><u>          </u></u>
 <b>4</b>	 <b>Investment income</b>	 <b>2014</b>	 <b>2013</b>
		<b>£</b>	<b>£</b>
	Bank interest	972	3,934
	Other interest	27,422	33,444
		<u>          </u>	<u>          </u>
		<u><u>28,394</u></u>	<u><u>37,378</u></u>

# ARK BUILD PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

5	Taxation	2014 £	2013 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	176,355	160,319
	<b>Total current tax</b>	176,355	160,319
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(4,980)	(2,950)
		171,375	157,369
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	627,347	511,727
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.83% (2013 - 23.33%)	136,950	119,386
	Effects of:		
	Depreciation	12,719	9,552
	Entertainment	41,930	40,095
	Capital allowances	(14,505)	(8,714)
	Other adjustments	(739)	-
		39,405	40,933
	<b>Current tax charge for the year</b>	176,355	160,319

# ARK BUILD PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

### 6 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 November 2013	17,000	85,101	313,862	415,963
Additions	-	18,365	73,226	91,591
Disposals	-	-	(34,578)	(34,578)
At 31 October 2014	17,000	103,466	352,510	472,976
<b>Depreciation</b>				
At 1 November 2013	14,415	54,133	222,223	290,771
On disposals	-	-	(19,069)	(19,069)
Charge for the year	646	20,280	37,339	58,265
At 31 October 2014	15,061	74,413	240,493	329,967
<b>Net book value</b>				
At 31 October 2014	1,939	29,053	112,017	143,009
At 31 October 2013	2,585	30,967	91,640	125,192

### 7 Debtors

	2014 £	2013 £
Trade debtors	788,792	477,342
Called up share capital not paid	23,848	23,848
Other debtors	891,102	1,074,186
Prepayments and accrued income	1,010,613	326,292
	2,714,355	1,901,668

Amounts falling due after more than one year and included in the debtors above are:

	2014 £	2013 £
Other debtors	372,715	676,934



# ARK BUILD PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

8	Creditors: amounts falling due within one year	2014 £	2013 £
	Bank loans and overdrafts	4,280	-
	Trade creditors	511,141	411,651
	Corporation tax	176,355	160,318
	Other taxes and social security costs	234,507	199,825
	Other creditors	112,329	128,484
	Accruals and deferred income	950,896	610,807
		<u>1,989,508</u>	<u>1,511,085</u>

9	Provisions for liabilities	Deferred tax liability £
	Balance at 1 November 2013	10,983
	Profit and loss account	(4,980)
	Balance at 31 October 2014	<u>6,003</u>

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	<u>6,003</u>	<u>10,983</u>

## 10 Retirement Benefits

### Defined contribution scheme

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 £1,806 (2013: £50,000).

The amount of pension contributions outstanding at the period end amounted to £1,202 (2013: £ - ).

	2014 £	2013 £
Contributions payable by the company for the year	<u>1,806</u>	<u>50,000</u>

# ARK BUILD PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

<b>11 Share capital</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and part paid</b>		
50,000 Ordinary Shares of £1 each	50,000	50,000

## 12 Statement of movements on profit and loss account

	<b>Profit and loss account</b>
	<b>£</b>
Balance at 1 November 2013	2,363,459
Profit for the year	455,972
Balance at 31 October 2014	2,819,431

## 13 Reconciliation of movements in Shareholders' funds

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	455,972	354,358
Opening Shareholders' funds	2,413,459	2,059,101
Closing Shareholders' funds	2,869,431	2,413,459

## 14 Contingent liabilities

During the course of the year the company has entered into guarantees with some of their customers totalling £77,604 (2013: £262,143).

## 15 Financial commitments

At 31 October 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2015:

	<b>Land and buildings</b>
	<b>2014</b>
	<b>£</b>
Operating leases which expire:	
Between two and five years	60,000

# ARK BUILD PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

16	Directors' remuneration	2014 £	2013 £
	Remuneration for qualifying services	537,952	365,734
	Remuneration disclosed above include the following amounts paid to the highest paid director:		
	Remuneration for qualifying services	-	200,992

## 17 Employees

### Number of employees

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

	2014 Number	2013 Number
Trades	39	57
Directors	4	4
	43	61

### Employment costs

	2014 £	2013 £
Wages and salaries	1,613,755	2,266,879
Social security costs	185,097	175,993
Other pension costs	1,806	50,000
	1,800,658	2,492,872

## 18 Control

The controlling party and ultimate controlling party is Mr M Finlay.

## ARK BUILD PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 OCTOBER 2014**

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#### **19 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 raised a sales invoice in the year to the value of £177,076 (2013: £nil).

The company has purchased services to the value of £280,000 (2013: £250,000).

The balance owing at the end of the year to Beachview Corporation Limited is £240,738 (2013: £nil).

##### **Pension scheme**

During the year to 31 October 2011 a loan was made to the Ark Build Executive Pension Scheme £362,500. The loan term is ten years and interest is charged at a commercial rate. At 31 October 2014, the full amount has been repaid so £nil (2013 £288,576) was due to the company.

During the year to 31 October 2013 a further loan was made to the Ark Build Executive Pension Scheme for £500,000. The loan term is ten years and interest is charged at a commercial rate. At 31 October 2014, £417,909 (2013: £461,464) was due to the company.

##### **Ark MEP Plc**

Ark MEP Plc is a company which M J Finlay and A Stanton are directors and M J Finlay holds all of the share capital.

During the year Ark Build Plc entered into transactions with Ark MEP Plc totalling to £675,125 (2013: £nil) for subcontractor services provided by Ark MEP Plc. At the balance sheet date the amount due to Ark MEP Plc is £24,877 (2013: £nil).

During the period Ark Build Plc advanced £181,211 (2013: £nil) to Ark MEP Plc and at the year end the balance owed to Ark Build Plc is £181,211 (2013: £nil).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.