

**A & R PRODUCTS (SOUTH EAST)
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2017

MAGEE GAMMON

Chartered Accountants

Henwood House

Henwood

Ashford

Kent

TN24 8DH

A & R PRODUCTS (SOUTH EAST) LIMITED
REGISTERED NUMBER:04502987

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	4	365,780	361,109
		<u>365,780</u>	<u>361,109</u>
CURRENT ASSETS			
Stocks	5	75,231	75,912
Debtors: amounts falling due within one year	6	378,616	382,713
Cash at bank and in hand		104,352	110,959
		<u>558,199</u>	<u>569,584</u>
Creditors: amounts falling due within one year	7	(452,485)	(491,221)
		<u>105,714</u>	<u>78,363</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		471,494	439,472
Creditors: amounts falling due after more than one year	8	(166,578)	(189,579)
PROVISIONS FOR LIABILITIES			
Deferred tax	11	(7,823)	-
		<u>(7,823)</u>	<u>-</u>
NET ASSETS		<u>£ 297,093</u>	<u>£ 249,893</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Profit and loss account		296,993	249,793
		<u>£ 297,093</u>	<u>£ 249,893</u>

A & R PRODUCTS (SOUTH EAST) LIMITED
REGISTERED NUMBER:04502987

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2017

The directors consider 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 Companies Act 2006.

The directors acknowledge their 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 statement of income and retained earnings 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 21 March 2018.

Mr J Ralph

Director

The notes on pages 3 to 10 form part of these financial statements.

Mr M Atkins

Director

A & R PRODUCTS (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. General information

A & R Products (South East) Limited is a private company limited by shares. The company registration number is 04502987, incorporated in England and Wales. The registered office of the company is Henwood House, Henwood, Ashford, Kent, TN24 8DH. The principal place of business is Europa House, Pivington Mill, Egerton Road, Pluckley, Ashford, Kent, TN27 0PG.

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 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 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.

A & R PRODUCTS (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, see below.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line basis
Plant and machinery	-	25% reducing balance basis
Motor vehicles	-	25% reducing balance basis
Office equipment	-	25% reducing balance basis

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 the Statement of income and retained earnings.

2.4 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.

2.5 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.

2.6 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.

2.7 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

A & R PRODUCTS (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

2. Accounting policies (continued)

2.8 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.9 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 the Statement of income and retained earnings 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.

2.10 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.11 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

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 the Statement of income and retained earnings 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.

A & R PRODUCTS (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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.

3. Employees

The average monthly number of employees, including directors, during the year was 12 (2016 - 4).

A & R PRODUCTS (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

4. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 September 2016	344,024	19,935	34,442	11,444	409,845
Additions	-	1,375	18,600	2,135	22,110
At 31 August 2017	<u>344,024</u>	<u>21,310</u>	<u>53,042</u>	<u>13,579</u>	<u>431,955</u>
Depreciation					
At 1 September 2016	12,540	10,709	18,301	7,186	48,736
Charge for the year on owned assets	6,880	2,337	6,748	1,474	17,439
At 31 August 2017	<u>19,420</u>	<u>13,046</u>	<u>25,049</u>	<u>8,660</u>	<u>66,175</u>
Net book value					
At 31 August 2017	£ <u>324,604</u>	£ <u>8,264</u>	£ <u>27,993</u>	£ <u>4,919</u>	£ <u>365,780</u>
At 31 August 2016	£ <u>331,484</u>	£ <u>9,226</u>	£ <u>16,141</u>	£ <u>4,258</u>	£ <u>361,109</u>

5. Stocks

	2017 £	2016 £
Raw materials and consumables	75,231	75,912
	<u>£ 75,231</u>	<u>£ 75,912</u>

A & R PRODUCTS (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

6. Debtors

	2017 £	2016 £
Trade debtors	370,604	375,478
Other debtors	3,363	3,598
Prepayments and accrued income	4,649	3,637
	<u>£ 378,616</u>	<u>£ 382,713</u>

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	20,300	22,000
Trade creditors	284,321	292,982
Corporation tax	37,826	44,829
Other taxation and social security	54,503	53,151
Obligations under finance lease and hire purchase contracts	2,880	7,213
Other creditors	48,236	66,440
Accruals and deferred income	4,419	4,606
	<u>£ 452,485</u>	<u>£ 491,221</u>

8. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	164,178	184,299
Net obligations under finance leases and hire purchase contracts	2,400	5,280
	<u>£ 166,578</u>	<u>£ 189,579</u>

Secured loans

The bank loan is secured by the directors up to a maximum of £45,000 and by a fixed charge against the companies assets.

A & R PRODUCTS (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

9. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	20,300	22,000
Amounts falling due after more than 5 years		
Bank loans	164,178	184,299
	<u>£ 184,478</u>	<u>£ 206,299</u>

10. Hire purchase and finance leases

Payments under hire purchase fall due as follows:

2017 £	2016 £
<u>£ -</u>	<u>£ -</u>

11. Deferred taxation

	2017 £
Charged to profit or loss	7,823
At end of year	<u>£ 7,823</u>

The deferred taxation balance is made up as follows:

	2017 £
Accelerated capital allowances	7,823
	<u>£ 7,823</u>

A & R PRODUCTS (SOUTH EAST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

12. 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 £16,143 (2016 - £6,000) . Contributions totalling £nil (2016 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

13. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

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