

Registered number: 05310686

ARKAY BUILDING SERVICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016

MAGEE GAMMON
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Henwood House
Henwood
Ashford
Kent
TN24 8DH

ARKAY BUILDING SERVICES LIMITED
REGISTERED NUMBER:05310686

BALANCE SHEET
AS AT 31 DECEMBER 2016

	<u>Note</u>	2016 £	2015 £
FIXED ASSETS			
Tangible assets	4	53,554	39,595
Investment property	5	204,748	204,748
		<hr/> 258,302	<hr/> 244,343
CURRENT ASSETS			
Stocks	6	13,338	12,703
Debtors: amounts falling due within one year	7	193,611	211,757
Cash at bank and in hand		48,643	3,809
		<hr/> 255,592	<hr/> 228,269
Creditors: amounts falling due within one year	8	(319,826)	(303,993)
		<hr/> (64,234)	<hr/> (75,724)
NET CURRENT LIABILITIES			
TOTAL ASSETS LESS CURRENT LIABILITIES		194,068	168,619
Creditors: amounts falling due after more than one year	9	(157,678)	(161,325)
PROVISIONS FOR LIABILITIES			
Deferred tax	12	(6,906)	-
		<hr/> (6,906)	<hr/> -
NET ASSETS		£ <u>29,484</u>	£ <u>7,294</u>
CAPITAL AND RESERVES			
Called up share capital		102	102
Profit and loss account		29,382	7,192
		<hr/> £ <u>29,484</u>	<hr/> £ <u>7,294</u>

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 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.

ARKAY BUILDING SERVICES LIMITED
REGISTERED NUMBER:05310686

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016

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 13 April 2017.

Mr G Lynch

Director

The notes on pages 3 to 11 form part of these financial statements.

ARKAY BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Arkay Building Services Limited is a private company incorporated in England and Wales.

The registered office is Henwood House, Henwood, Ashford, Kent, TN24 8DH.

The principle place of business is Yew Tree Studios, Stanford North, Ashford, Kent, TN25 6DH.

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:

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.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

ARKAY BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	25%
Motor vehicles	-	25%
Fixtures and fittings	-	25%
Office equipment	-	25%

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 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of income and retained earnings.

2.5 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.

2.6 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.

2.7 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.

ARKAY BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.11 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.

2.12 Interest income

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

2.13 Borrowing costs

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

ARKAY BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.14 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.

2.15 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 15 (2015: 16).

ARKAY BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

4. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2016	7,803	57,924	563	19,190	85,480
Additions	-	23,000	-	900	23,900
At 31 December 2016	<u>7,803</u>	<u>80,924</u>	<u>563</u>	<u>20,090</u>	<u>109,380</u>
Depreciation					
At 1 January 2016	7,144	27,080	535	11,126	45,885
Charge for the period on owned assets	165	1,371	7	2,057	3,600
Charge for the period on financed assets	-	6,341	-	-	6,341
At 31 December 2016	<u>7,309</u>	<u>34,792</u>	<u>542</u>	<u>13,183</u>	<u>55,826</u>
Net book value					
At 31 December 2016	£ <u>494</u>	£ <u>46,132</u>	£ <u>21</u>	£ <u>6,907</u>	£ <u>53,554</u>
At 31 December 2015	£ <u>659</u>	£ <u>30,844</u>	£ <u>28</u>	£ <u>8,064</u>	£ <u>39,595</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Motor vehicles	<u>42,024</u>	<u>25,365</u>
	£ <u>42,024</u>	£ <u>25,365</u>

ARKAY BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

5. Investment property

	Freehold investment property £
Valuation	
At 1 January 2016	204,748
At 31 December 2016	<u>204,748</u>

The 2016 valuations were made by the director, on an open market value for existing use basis.

6. Stocks

	2016 £	2015 £
Raw materials and consumables	13,338	12,703
	<u>£ 13,338</u>	<u>£ 12,703</u>

7. Debtors

	2016 £	2015 £
Trade debtors	188,264	207,790
Other debtors	2,825	1,825
Prepayments and accrued income	2,522	2,142
	<u>£ 193,611</u>	<u>£ 211,757</u>

ARKAY BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	28,187	85,428
Bank loans	4,732	4,732
Trade creditors	85,059	61,829
Corporation tax	24,458	28,296
Other taxation and social security	59,594	26,494
Obligations under finance lease and hire purchase contracts	21,739	6,919
Other creditors	91,760	86,549
Accruals and deferred income	4,297	3,746
	<u>£ 319,826</u>	<u>£ 303,993</u>

The bank loans and overdrafts are secured by a fixed and floating charge over the company's assets.

Finance leases and hire purchase contracts are secured on the assets concerned.

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

	2016 £	2015 £
Bank loans	137,384	142,291
Net obligations under finance leases and hire purchase contracts	20,294	19,034
	<u>£ 157,678</u>	<u>£ 161,325</u>

Secured loans

The bank loans and overdrafts are secured by a fixed and floating charge over the company's assets.

Finance leases and hire purchase contracts are secured on the assets concerned.

ARKAY BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

10. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	4,732	4,732
Amounts falling due 1-2 years		
Bank loans	4,732	4,732
Amounts falling due after more than 5 years		
Bank loans	132,652	137,559
	<u>£ 142,116</u>	<u>£ 147,023</u>

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	21,739	6,919
Between 1-2 years	2,705	19,034
Between 2-5 years	17,589	-
	<u>£ 42,033</u>	<u>£ 25,953</u>

12. Deferred taxation

	2016 £
Charged to profit or loss	(6,906)
At end of year	<u>£ (6,906)</u>

The deferred taxation balance is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	6,906	-
	<u>£ 6,906</u>	<u>£ -</u>

ARKAY BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. 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 £22,235 (2015 - £13,120). Contributions totalling £64 (2015 - £Nil) were payable to the fund at the balance sheet date

14. 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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