COMPANY REGISTRATION NUMBER: SC231050

REGISTRAR OF COMPANIES
PLEASE SIGN & RETURN

Marmac Services Limited

Abridged Financial Statements

For the year

30 November 2017

TUESDAY

S7CSXNKQ
SCT 21/08/2018 #388
COMPANIES HOUSE

I.A.STEWART & CO
Chartered Accountants & statutory auditor
The Mechanics Workshop
New Lanark
ML11 9DB

Marmac Services Limited

Abridged Financial Statements

Year ended 30 November 2017

Contents

Marmac Services Limited

Directors' Report

Year ended 30 November 2017

The directors present their report and the abridged financial statements of the company for the year ended 30 November 2017.

Directors

The directors who served the company during the year were as follows:

Mr B Lofnes	(Appointed 17 October 2017)
Mr C McCall	(Appointed 17 October 2017)
Mr J Marshall	(Resigned 17 October 2017)
Mr T McCulloch	(Resigned 17 October 2017)

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the abridged financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare abridged financial statements for each financial year. Under that law the directors have elected to prepare the abridged 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 abridged financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these abridged financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the abridged 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 abridged 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 23 April 2018 and signed on behalf of the board by:

Mr B Lofnes
Director

Mr C McCall
Director

Registered office:
Anchor House
195 Dumbarton Road
Clydebank
G81 4XJ

Marmac Services Limited

Abridged Statement of Financial Position

30 November 2017

	Note	2017 £	2017 £	2016 £
Fixed assets				
Tangible assets	5		**68,390**	90,200
Current assets				
Debtors		**2,316,994**		2,903,403
Cash at bank and in hand		**182,133**		1,059,278
		2,499,127		3,962,681
Creditors: amounts falling due within one year		**1,434,511**		3,177,778
Net current assets			**1,064,616**	784,903
Total assets less current liabilities			**1,133,006**	875,103
Provisions			**11,362**	17,654
Net assets			**1,121,644**	857,449

The abridged statement of financial position continues on the following page.

The notes on pages 5 to 9 form part of these abridged financial statements.

	Note	2017 £	£	2016 £
Capital and reserves				
Called up share capital			**100**	100
Profit and loss account			**1,121,544**	857,349
Shareholders funds			**1,121,644**	857,449

These abridged financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the abridged statement of income and retained earnings has not been delivered.

These abridged financial statements were approved by the board of directors and authorised for issue on 23 April 2018, and are signed on behalf of the board by:

Mr B Lofnes
Director

Mr C McCall
Director

Company registration number: SC231050

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Anchor House, 195 Dumbarton Road, Clydebank, G81 4XJ.

2. Statement of compliance

These abridged financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The abridged financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The abridged financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 December 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 10.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

3. **Accounting policies** *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	15% reducing balance
Fixtures and fittings	-	15% reducing balance
Motor Vehicles	-	25% reducing balance

Plant and machinery items that are depreciated under the straight line method have a full year of depreciation charged in the year of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the abridged statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts *(continued)*

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the abridged statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 42 (2016: 40).

5. Tangible assets

	£
Cost	
At 1 December 2016	**169,549**
Additions	**39,453**
Disposals	**(68,118)**
At 30 November 2017	**140,884**
Depreciation	
At 1 December 2016	**79,349**
Charge for the year	**23,087**
Disposals	**(29,942)**
At 30 November 2017	**72,494**
Carrying amount	
At 30 November 2017	**68,390**
At 30 November 2016	90,200

6. Contingencies

The company has been the subject of a routine PAYE inspection in the prior year. During the course of that inspection it became apparent that some deductions required under the Construction Industry Scheme had not been made.

The total payments made to subcontractors which should have been subject to deductions under the Construction Industry Scheme was £999,945. The company has applied for relief under Regulation 9(4) of the CIS regulations and the directors anticipate that HMRC will grant this relief.

HMRC may seek to impose a penalty on the company in respect of the CIS deductions that should have been made. No discussion has taken place with HMRC regarding the imposition or quantum of any penalty and therefore it is not possible at this point to estimate the amount of any such penalty.

The company has notified the relevant subcontractors that in the event any tax is payable it will be deducted from future payments due to them and that it will seek to recover any penalties it is charged from them.

7. Summary audit opinion

The auditor's report for the year dated 23 April 2018 was unqualified.

The senior statutory auditor was Mr Alan M Kerr, for and on behalf of I.A.Stewart & Co.

8. Related party transactions

The company was under the control of Marmac Holdings (Scotland) Limited; a company controlled by the directors and members of their close family during the previous year and the current year until 17th October 2017, when 2 employees bought the company, taking control and becoming directors effective from that date, Brian Lofnes and Christopher McCall:

The company is now under the control of Marmac Group Limited; a company controlled by the new directors; Mr Lofnes and Mr McCall.

Mrs Fiona McCulloch (a shareholder in Marmac Holdins (Scotland) Limited) still has a role in the company as financial controller but works on a self -employed basis.

The balance owed to FWT Solutions Ltd, a company controlled by Mr T McCulloch and members of his family was paid during the year. Nothing is owing to this company at the year end.

During the year the company traded with Airmac GDI Limited, a company which Mr and Mrs McCulloch have an interest and significant influence over. All transactions have been on a commercial basis. The company employed Airmac GDI Limited on a sub-contract basis. . The total amount charged in the year amounted to £Nil (2016 - £5,618). The balance due to Airmac GDI Limited at the balance date was £Nil (2016 - £Nil).

The company also supplied goods and services to Airmac GDI Limited during year. The total amount charged for these goods and services amounted to £147,021 (2016 - £252,334). The balance due to the company at the balance sheet date was £19,933 (2016 - £41,984).

9. Controlling party

The company's ultimate parent company is now Marmac Group Limited; a company registered in Scotland (SC571735).

10. Transition to FRS 102

These are the first abridged financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 December 2015.

No transitional adjustments were required in equity or profit or loss for the year.

Statement of Consent to Prepare Abridged Financial Statements

All of the members of Marmac Services Limited have consented to the preparation of the abridged statement of income and retained earnings and the abridged statement of financial position for the year ending 30 November 2017 in accordance with Section 444(2A) of the Companies Act 2006.