



Scott-Moncrieff
business advisers and accountants

M K CONSTRUCTION (LOCHABER) LIMITED

Company registration number SC511399

FILING FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

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M K CONSTRUCTION (LOCHABER) LIMITED

COMPANY INFORMATION

Director	Michael Kennedy
Registered number	SC511399
Registered office	Alt Na Bruaich Kinlocheil Fort William Inverness-Shire Scotland PH33 7NP
Accountants	Scott-Moncrieff Chartered Accountants 10 Ardross Street Inverness IV3 5NS

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets		8,464	-
		<u>8,464</u>	<u>-</u>
Current assets			
Debtors: amounts falling due within one year	5	12,981	12,242
Cash at bank and in hand		5,771	4,206
		<u>18,752</u>	<u>16,448</u>
Creditors: amounts falling due within one year	6	(14,192)	(10,655)
Net current assets		<u>4,560</u>	<u>5,793</u>
Total assets less current liabilities		<u>13,024</u>	<u>5,793</u>
Creditors: amounts falling due after more than one year		(1,863)	-
Provisions for liabilities			
Deferred tax		(1,439)	-
		<u>(1,439)</u>	<u>-</u>
Net assets		<u><u>9,722</u></u>	<u><u>5,793</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JULY 2018

	Note	2018	2017
		£	£
Capital and reserves			
Called up share capital		1	1
Profit and loss account		9,721	5,792
		<hr/>	<hr/>
		9,722	5,793
		<hr/>	<hr/>

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 the 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 Section 1A 'Small Entities' of Financial Reporting Standard 102.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

As permitted by Section 444 of the Companies Act 2006, the directors have not delivered to the Registrar a copy of the director's report or a copy of the company's Statement of Income and Retained Earnings for the year ended 31 July 2017.

The financial statements were approved, signed and authorised for issue by the director:

Michael Kennedy
Director

Date: 30 April 2019

The notes on pages 4 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 July 2018.

The continuing activity of M K Construction (Lochaber) Limited ('the company') is that of construction services.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company's registered number is SC511399.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The company has sufficient financial resources. The director believes that the company is well placed to manage its business risks successfully.

The director has a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. Thus they continue to operate the going concern basis of accounting in preparing the annual financial statements.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

2. Accounting policies (continued)

2.4 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income and Retained Earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.5 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 corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting 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 Statement of Financial Position 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 reporting date.

2.6 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	20%	on cost
Motor vehicles	-	20%	on cost

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.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short term creditors are measured at the transaction price.

2.10 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 Statement of Financial Position 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 Statement of Financial Position.

2.11 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to/from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

2. Accounting policies (continued)

2.11 Financial instruments (continued)

flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.12 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.

3. Employees

The average monthly number of employees, including the director, during the year was 1 (2017 - 1).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

4. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost			
Additions	4,850	5,730	10,580
At 31 July 2018	4,850	5,730	10,580
Depreciation			
Charge for the year	970	1,146	2,116
At 31 July 2018	970	1,146	2,116
Net book value			
At 31 July 2018	3,880	4,584	8,464
<i>At 31 July 2017</i>	-	-	-

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

	2018 £	2017 £
Motor vehicles	4,584	-
	4,584	-

M K CONSTRUCTION (LOCHABER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

5. Debtors

	2018 £	2017 £
Other debtors	12,981	12,242
	<u>12,981</u>	<u>12,242</u>

6. Creditors: Amounts falling due within one year

	2018 £	2017 £
Corporation tax	6,324	7,505
Hire purchase	1,588	-
Other creditors	400	240
Accruals and deferred income	5,880	2,910
	<u>14,192</u>	<u>10,655</u>

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

	2018 £	2017 £
Hire purchase	1,863	-
	<u>1,863</u>	<u>-</u>

The following liabilities were secured:

	2018 £	2017 £
Hire purchase	3,451	-
	<u>3,451</u>	<u>-</u>

Details of security provided:

Hire purchase creditors are secured over the assets to which they relate.

8. Related party transactions

Company director

During the year the director introduced funds and paid expenses on behalf of the company totalling £22,166 (2017 - £19,225).

During the year the company advanced funds to the director totalling £22,006 (2017 - £20,323).

A total of £15,500 (2017 - £7,500) in dividends were paid to the director during the year.

At the year end the company owed the director £400 (2017 - £240) which is included in other creditors.

Amounts due to the director are repayable on demand and interest is not charged.

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.