

Company Registration No. 02790049 (England and Wales)

ARMAC DEMOLITION LIMITED
ANNUAL REPORT AND ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016
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ARMAC DEMOLITION LIMITED

COMPANY INFORMATION

Directors	Mr M Dudley Mr A McLean Mr N McLean
Secretary	Mr N McLean
Company number	02790049
Registered office	Stonebridge House Kenilworth Road Meriden Warwickshire CV7 7LJ
Auditor	Jerroms The Exchange Haslucks Green Road Shirley Solihull West Midlands B90 2EL
Business address	Stonebridge House Kenilworth Road Meriden Warwickshire CV7 7LJ

ARMAC DEMOLITION LIMITED

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ARMAC DEMOLITION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present the strategic report for the year ended 30 June 2016.

Fair review of the business

The profit for the year, after taxation is £240,707 (2015: £501,156) after paying £250,000 (2015:£nil) into The Armac Demolition Pension Scheme .

Principal risks and uncertainties

The principal risks and uncertainties facing the company are broadly grouped as competitive and legislative.

Competitive risks

The company is reliant on main contractors / public sector work which are subject to competitive tender. Awarding of these contracts is uncertain and based on financial and performance criteria. The company has and is continuing to endeavour to work with blue chip organisations .

Legislative risks

Being in the demolition industry health and safety legislation is strict particularly in relation to asbestos. The company takes its health and safety training very seriously and the directors are proud of the company's safety record.

Development and performance

The company's key financial and other performance indicators during the year were as follows:

	2016	2015
Turnover	13,900	12,236
Change +13.6%		
Operating Profit	352	688
Change -48.8%		
Shareholder's equity as % of current liabilities	3,560	3,319
Change +7.3%		
Current assets as % of current liabilities	128%	133%
Change -3.8%		

Key performance indicators

The Company despite the economic uncertainty has increased its turnover for the year which was the main objective set by the Directors for the year.

Other performance indicators

The directors have set out to to improve the Company's excellent Health and Safety record and continue to invest heavily in training and the latest plant and equipment.

ARMAC DEMOLITION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

Other information and explanations

Since the year end the Company's Pension Scheme has purchased offices which the Directors and support staff have moved into.

By order of the Board



Mr N McLean

Secretary

13 December 2016

ARMAC DEMOLITION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report and financial statements for the year ended 30 June 2016.

Principal activities

The principal activity of the company continued to be that of crushing and demolition services.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Dudley

Mr A McLean

Mr N McLean

Mr C McLean

(Resigned 31 March 2016)

Results and dividends

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

No dividend has been paid or proposed for the year.

Market value of land and buildings

The company does not own any land and buildings.

Auditor

The auditor, Jerroms, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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;
- 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 auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

ARMAC DEMOLITION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

By order of the board



Mr N McLean

Secretary

13 December 2016

ARMAC DEMOLITION LIMITED

INDEPENDENT AUDITOR'S REPORT TO ARMAC DEMOLITION LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 6 to 25, together with the financial statements of Armac Demolition Limited for the year ended 30 June 2016 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to company those matters we are required to state to it in a special auditor's 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

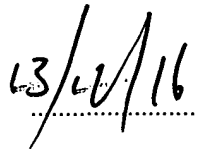
Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445 (3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



**Mark James Eden F.C.C.A. (Senior Statutory Auditor)
for and on behalf of Jerroms**

**Chartered Certified Accountants
Statutory Auditor**



The Exchange
Haslucks Green Road
Shirley
Solihull
West Midlands
B90 2EL

ARMAC DEMOLITION LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2016

		Year ended 30 June 2016 £	Year ended 30 June 2015 £
	Notes		
Turnover	2	13,899,552	12,235,749
Other operating income and cost of sales		(11,243,185)	(9,586,118)
Administrative expenses		(2,303,968)	(1,960,812)
Operating profit	3	352,399	688,819
Interest receivable and similar income	6	7,237	12,889
Interest payable and similar charges	7	(47,812)	(61,465)
Profit before taxation		311,824	640,243
Taxation	8	(76,206)	(139,087)
Profit for the financial year	21	235,618	501,156

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ARMAC DEMOLITION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Year ended 30 June 2016 £	Year ended 30 June 2015 £
Profit for the year	235,618	501,156
Other comprehensive income	-	-
Total comprehensive income for the year	235,618	501,156

ARMAC DEMOLITION LIMITED

BALANCE SHEET

AS AT 30 JUNE 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	9	2,537,411		2,609,077	
Investments	10	326,625		326,625	
		<u>2,864,036</u>		<u>2,935,702</u>	
Current assets					
Stocks	12	258,826		133,674	
Debtors	13	4,442,489		3,173,599	
Cash at bank and in hand		523,525		739,284	
		<u>5,224,840</u>		<u>4,046,557</u>	
Creditors: amounts falling due within one year	14	(4,077,499)		(3,023,704)	
Net current assets		<u>1,147,341</u>		<u>1,022,853</u>	
Total assets less current liabilities		<u>4,011,377</u>		<u>3,958,555</u>	
Creditors: amounts falling due after more than one year	15	(88,849)		(236,931)	
Provisions for liabilities	18	(367,373)		(402,087)	
Net assets		<u>3,555,155</u>		<u>3,319,537</u>	
Capital and reserves					
Called up share capital	20	202		202	
Profit and loss reserves	21	3,554,953		3,319,335	
Total equity		<u>3,555,155</u>		<u>3,319,537</u>	

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 13 December 2016 and are signed on its behalf by:


Mr M Dudley
Director

Company Registration No. 02790049

ARMAC DEMOLITION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 July 2014		202	2,818,179	2,818,381
Year ended 30 June 2015:				
Profit and total comprehensive income for the year		-	501,156	501,156
Balance at 30 June 2015		202	3,319,335	3,319,537
Year ended 30 June 2016:				
Profit and total comprehensive income for the year		-	235,618	235,618
Balance at 30 June 2016		202	3,554,953	3,555,155

ARMAC DEMOLITION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	25	291,144		1,034,263	
Interest paid		(47,812)		(61,465)	
Income taxes refunded/(paid)		136,223		(54,211)	
Net cash inflow from operating activities		379,555		918,587	
Investing activities					
Purchase of tangible fixed assets		(691,760)		(646,536)	
Proceeds on disposal of tangible fixed assets		296,045		611,500	
Proceeds on disposal of fixed asset investments		-		(326,625)	
Interest received		7,237		12,889	
Net cash used in investing activities		(388,478)		(348,772)	
Financing activities					
Repayment of other long term loans		-		(715,000)	
Payment of finance leases obligations		(206,836)		(63,495)	
Net cash used in financing activities		(206,836)		(778,495)	
Net decrease in cash and cash equivalents		(215,759)		(208,680)	
Cash and cash equivalents at beginning of year		739,284		947,964	
Cash and cash equivalents at end of year		523,525		739,284	

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

Company information

Armac Demolition Limited is a company limited by shares incorporated in England and Wales. The registered office is Stonebridge House, Kenilworth Road, Meriden, Warwickshire, CV7 7LJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2016 are the first financial statements of Armac Demolition Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15%-20% Reducing Balance
Motor vehicles	25% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 company after deducting all of its liabilities.

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Turnover and other revenue

	2016 £	2015 £
Total turnover	<u>13,899,552</u>	<u>12,235,749</u>

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

2 Turnover and other revenue

(Continued)

Other significant revenue

Interest income

7,237

12,889

3 Operating profit

2016

2015

Operating profit for the year is stated after charging/(crediting):

£

£

Fees payable to the company's auditor for the audit of the company's financial statements

6,750

6,400

Depreciation of owned tangible fixed assets

400,456

432,099

Depreciation of tangible fixed assets held under finance leases

143,145

135,576

Profit on disposal of tangible fixed assets

(76,220)

(357,055)

Cost of stocks recognised as an expense

6,103,122

4,830,756

Operating lease charges

9,950

22,376

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2016
Number

2015
Number

Directors

3

4

Staff

12

11

Direct

55

56

70

71

Their aggregate remuneration comprised:

2016
£

2015
£

Wages and salaries

3,137,085

3,151,087

Social security costs

341,504

343,743

Pension costs

280,837

28,988

3,759,426

3,523,818

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

5 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	810,194	892,040
Company pension contributions to defined contribution schemes	250,000	-
	<u>1,060,194</u>	<u>892,040</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2015 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>298,744</u>	<u>353,839</u>
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6 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	6,803	4,512
Other interest income	434	8,377
	<u>7,237</u>	<u>12,889</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>6,803</u>	<u>4,512</u>
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7 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	9,813	17,048
Other finance costs:		
Other interest	37,999	44,417
	<u>47,812</u>	<u>61,465</u>

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

8 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	110,920	58,003
Adjustments in respect of prior periods	-	13,384
Total current tax	<u>110,920</u>	<u>71,387</u>
Deferred tax		
Origination and reversal of timing differences	(34,714)	67,700
Total tax charge	<u>76,206</u>	<u>139,087</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	<u>311,824</u>	<u>640,243</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.70%)	62,365	132,530
Tax effect of expenses that are not deductible in determining taxable profit	13,841	12,061
Under/(over) provided in prior years	-	13,384
Tax at marginal rate	-	(38)
Deferred tax movement	(34,714)	67,700
Depreciation in excess of capital allowances	34,714	(86,550)
Tax expense for the year	<u>76,206</u>	<u>139,087</u>

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

9 Tangible fixed assets

	Plant and Motor vehicles machinery		Total
	£	£	£
Cost			
At 1 July 2015	5,567,619	97,944	5,665,563
Additions	549,311	142,449	691,760
Disposals	(1,319,765)	(39,401)	(1,359,166)
At 30 June 2016	4,797,165	200,992	4,998,157
Depreciation and impairment			
At 1 July 2015	3,002,546	53,940	3,056,486
Depreciation charged in the year	524,864	18,737	543,601
Eliminated in respect of disposals	(1,111,452)	(27,889)	(1,139,341)
At 30 June 2016	2,415,958	44,788	2,460,746
Carrying amount			
At 30 June 2016	2,381,207	156,204	2,537,411
At 30 June 2015	2,565,073	44,004	2,609,077

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Plant and machinery	572,581	687,796
Motor vehicles	-	13,661
	<u>572,581</u>	<u>701,457</u>
Depreciation charge for the year in respect of leased assets	<u>143,145</u>	<u>135,576</u>

10 Fixed asset investments

	2016 £	2015 £
Unlisted investments	<u>326,625</u>	<u>326,625</u>

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

10 Fixed asset investments (Continued)

Movements in fixed asset investments

Investments
other than
loans
£

Cost or valuation

At 1 July 2015 & 30 June 2016

326,625

Carrying amount

At 30 June 2016

326,625

At 30 June 2015

326,625

11 Financial instruments

2016
£

2015
£

Carrying amount of financial assets

Debt instruments measured at amortised cost

4,440,638

3,017,349

Equity instruments measured at cost less impairment

326,625

326,625

Carrying amount of financial liabilities

Measured at amortised cost

2,868,275

1,917,213

12 Stocks

2016
£

2015
£

Work in progress

258,826

133,674

13 Debtors

2016
£

2015
£

Amounts falling due within one year:

Trade debtors

4,124,942

2,518,219

Corporation tax recoverable

-

156,250

Other debtors

317,547

499,130

4,442,489

3,173,599

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

14 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Obligations under finance leases	16	145,693	204,447
Trade creditors		2,357,968	1,212,534
Corporation tax		968,220	877,327
Other taxation and social security		329,853	466,095
Other creditors		269,365	256,901
Accruals and deferred income		6,400	6,400
		<u>4,077,499</u>	<u>3,023,704</u>

The company has been challenged by H M Revenue and Customs in respect of loans made to directors from an employee benefit trust. This is currently being defended by the scheme provider and at the balance sheet date the appeal is ongoing. The Directors consider it prudent to provide for the tax that would be payable (incl. interest) should the appeal fail.

A debenture was created on 18th October 2010 , with Lloyds Bank plc, for a fixed and floating charge with reference to credit facilities in place.

15 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Obligations under finance leases	16	<u>88,849</u>	<u>236,931</u>

16 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	145,693	204,447
In two to five years	88,849	236,931
	<u>234,542</u>	<u>441,378</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

17 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	18	
	367,373	402,087
	<u>367,373</u>	<u>402,087</u>

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	<u>367,373</u>	<u>402,087</u>
Movements in the year:		2016 £
Liability at 1 July 2015		402,087
Credit to profit or loss		<u>(34,714)</u>
Liability at 30 June 2016		<u>367,373</u>

19 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>280,837</u>	<u>28,988</u>

The company operates a workplace pension scheme for all eligible employees. The assets of the scheme are held separately from those of the company in an independently administered fund. This fund is administered by The Peoples Pension.

During the year the Company as principal employer established a self administered pension scheme , Armac Demolition Pension Scheme. The company contributed £250,000 in the year. The scheme operates on a "money purchase basis "in that all benefits payable to the trustees or their dependants is based on the value of the assets held in the scheme on behalf of the trustees.

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

20 Share capital

	2016 £	2015 £
Ordinary share capital		
Authorised		
200 Ordinary "A" Shares of £1 each	200	200
2 Ordinary "B" Shares of £1 each	2	2
	<u>202</u>	<u>202</u>
Issued and fully paid		
200 Ordinary "A" Shares of £1 each	200	200
2 Ordinary "B" Shares of £1 each	2	2
	<u>202</u>	<u>202</u>

21 Profit and loss reserves

The company has been challenged by H M Revenue and Customs in respect of loans made to directors from an employee benefit trust. This is currently being defended by the scheme provider and at the balance sheet date the appeal is ongoing. The Directors consider it prudent to provide for the tax that would be payable (incl. interest) should the appeal fail.

22 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain items of office equipment and motor vehicles.

Leases are negotiated for average period of 3 years.

Since the year end the Company has entered into a ten year lease on office property.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	5,090	1,169
Between two and five years	8,766	10,743
In over five years	815	-
	<u>14,671</u>	<u>11,912</u>

23 Events after the reporting date

In July 2016 the Company entered into a ten year full repairing and insuring lease at a rent of £150,000 p.a. Subsequent to signing the lease the company pension scheme, Armac Demolition Pension Scheme, purchased the property from the owners of the property. Armac Demolition Limited remain as tenants.

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

24 Related party transactions

During the year the company traded with Armac Environmental Limited and Stonebridge Plant Limited, related parties of Armac Demolition Limited, due to common directorships as follows:

Armac Environmental Limited	
Sales to	£250,000
Purchases from	£2,565,216
In Trade Creditors	£(724,315)
In Trade Debtors	£250,000

Stonebridge Plant Limited	
Sales to	£100,000
Purchases from	£1,007,725

Transactions with directors

Included in creditors are amounts due to Messrs. M Dudley, A McLean and N McLean, directors of the company of £21,657, £102,673 and £68,935 respectively.

The company was charged the following by Eaglebeam Limited, a company which Messrs A and N McLean are directors of:

Rent	£36,000
Electricity re-charged	£21,831
Water rates re-charged	£10,962

During the year the company made purchase of £42,500 from Demo Plant Limited, a company under the control of A. McLean's family, the purchase was at arms length and at the 30 June 2016 the company owed £51,000 to Demo Plant Limited.

25 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	235,618	501,156
Adjustments for:		
Taxation charged	76,206	139,087
Finance costs	47,812	61,465
Investment income	(7,237)	(12,889)
Gain on disposal of tangible fixed assets	(76,220)	(357,055)
Depreciation and impairment of tangible fixed assets	543,601	567,675
Movements in working capital:		
(Increase)/decrease in stocks	(125,152)	26,578
(Increase)/decrease in debtors	(1,425,140)	731,384
Increase/(decrease) in creditors	1,021,656	(623,138)
Cash generated from operations	291,144	1,034,263

ARMAC DEMOLITION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 JUNE 2016**

26 Auditor's liability limitation agreement

The company has, by resolution, waived the need for approval of the auditors' limitation of liability, which has been set at £500,000 within the letter of engagement dated 9 November 2016. This approval has been confirmed in the letter of representation dated 13 December 2016.