

**Company Registration No. 03692607 (England and Wales)**

**MCARDLE SPORT-TEC LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

THURSDAY



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COMPANIES HOUSE

## **MCARDLE SPORT-TEC LIMITED**

### **COMPANY INFORMATION**

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|                  |                                                                             |                                                                                       |
|------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>Directors</b> | J McArdle<br>M Freeman<br>M Jefferies<br>K Sands<br>S Barclay<br>R Thornton | (Appointed 18 May 2016)<br>(Appointed 31 October 2016)<br>(Appointed 31 October 2016) |
|------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------|

|                  |        |
|------------------|--------|
| <b>Secretary</b> | C Bell |
|------------------|--------|

|                       |          |
|-----------------------|----------|
| <b>Company number</b> | 03692607 |
|-----------------------|----------|

|                          |                                                                    |
|--------------------------|--------------------------------------------------------------------|
| <b>Registered office</b> | 1 - 2 Thames Park<br>Lester Way<br>Wallingford<br>Oxon<br>OX10 9TA |
|--------------------------|--------------------------------------------------------------------|

|                |                                                                                                                     |
|----------------|---------------------------------------------------------------------------------------------------------------------|
| <b>Auditor</b> | Mercer & Hole<br>Batchworth House<br>Batchworth Place<br>Church Street<br>Rickmansworth<br>Hertfordshire<br>WD3 1JE |
|----------------|---------------------------------------------------------------------------------------------------------------------|

|                         |                                                                    |
|-------------------------|--------------------------------------------------------------------|
| <b>Business address</b> | 1 - 2 Thames Park<br>Lester Way<br>Wallingford<br>Oxon<br>OX10 9TA |
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## **MCARDLE SPORT-TEC LIMITED**

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# MCARDLE SPORT-TEC LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present the strategic report for the year ended 31 December 2016.

### **Fair review of the business**

The company has enjoyed many profitable years of trading, with a well funded market for sports surfaces from various funders such as the Football Foundation, Sport England etc. The Framework is going to generate a large amount of projects, possibly around a £11M turnover on its own. We remain a partner of TigerTurf in the F.A. framework and are consistently creating new relationships with major contractors, while continuing to maintain and improve existing relationships.

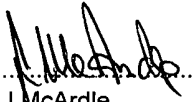
We have enjoyed a good relationship with Premiership and Championship clubs which has allowed us to create a very attractive portfolio of high profile clients. This has in turn assisted us with our sales and marketing campaigns.

During 2016, the company saw a 82.5 % increase in turnover. The results for the year show a profit before tax of £693,883, which is a 177.7 % increase on the previous year.

We continue to place the highest emphasis on our own quality of work throughout our operations, and this ongoing effort is reflected in our ISO14001, ISO9001, ISO18001, CHAS and Construction Line accreditations. We also remain a principal contractor with SAPCA. By keeping our staff turnover very low we have been able to train and retain employees in order to deliver the high standards expected in our industry. We are a respected member in our industry, with one of the directors taking the role of Chairman in the Pitch and Track Group of the Sports and Play Construction Association (SAPCA).

We expect trading levels from existing operations to remain at a similar level for the forthcoming year. The company is consistently looking for new opportunities and is committed to expanding into new areas of business during forthcoming year and anticipate a large growth of business in 2017, largely based on the FA Framework.

On behalf of the board

  
.....  
J McArdle  
Director  
.....14/7/2017

## **MCARDLE SPORT-TEC LIMITED**

### **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their annual report and financial statements for the year ended 31 December 2016.

#### **Principal activities**

The principal activity of the company throughout the year was that of the design, construction and commissioning of sports facilities of all types and sizes.

#### **Directors**

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

J McArdle  
M Freeman  
M Jefferies  
K Sands  
S Barclay  
R Thornton

(Appointed 18 May 2016)  
(Appointed 31 October 2016)  
(Appointed 31 October 2016)

#### **Results and dividends**

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Auditor**

The auditor, Mercer & Hole, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

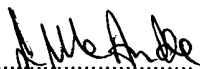
**MCARDLE SPORT-TEC LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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On behalf of the board



J McArdle

Director

14/12/2017

## **MCARDLE SPORT-TEC LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF MCARDLE SPORT-TEC LIMITED**

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We have audited the financial statements of McArdle Sport-Tec Limited for the year ended 31 December 2016 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**MCARDLE SPORT-TEC LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF MCARDLE SPORT-TEC LIMITED**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**David Jones FCA (Senior Statutory Auditor)  
for and on behalf of Mercer & Hole**

14/7/17  
.....

**Chartered Accountants  
Statutory Auditor**

Batchworth House  
Batchworth Place  
Church Street  
Rickmansworth  
Hertfordshire  
WD3 1JE

**MCARDLE SPORT-TEC LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2016**

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|                                        | Notes | 2016<br>£             | 2015<br>£             |
|----------------------------------------|-------|-----------------------|-----------------------|
| Turnover                               | 3     | 14,645,353            | 8,026,295             |
| Cost of sales                          |       | (12,683,915)          | (6,885,665)           |
| <b>Gross profit</b>                    |       | <u>1,961,438</u>      | <u>1,140,630</u>      |
| Administrative expenses                |       | (1,271,090)           | (920,523)             |
| Other operating income                 |       | 2,000                 | 26,000                |
| <b>Operating profit</b>                | 4     | <u>692,348</u>        | <u>246,107</u>        |
| Interest receivable and similar income | 7     | 1,535                 | 3,778                 |
| <b>Profit before taxation</b>          |       | <u>693,883</u>        | <u>249,885</u>        |
| Taxation                               | 8     | (139,898)             | (53,805)              |
| <b>Profit for the financial year</b>   |       | <u><u>553,985</u></u> | <u><u>196,080</u></u> |

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

**MCARDLE SPORT-TEC LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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|                                                | <b>2016</b>           | <b>2015</b>           |
|------------------------------------------------|-----------------------|-----------------------|
|                                                | <b>£</b>              | <b>£</b>              |
| <b>Profit for the year</b>                     | <b>553,985</b>        | <b>196,080</b>        |
| <b>Other comprehensive income</b>              | <b>-</b>              | <b>-</b>              |
| <b>Total comprehensive income for the year</b> | <b><u>553,985</u></b> | <b><u>196,080</u></b> |

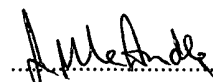
**MCARDLE SPORT-TEC LIMITED**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2016**

|                                                                | Notes | 2016<br>£          | £                | 2015<br>£          | £                |
|----------------------------------------------------------------|-------|--------------------|------------------|--------------------|------------------|
| <b>Fixed assets</b>                                            |       |                    |                  |                    |                  |
| Tangible assets                                                | 9     |                    | 156,866          |                    | 115,633          |
| <b>Current assets</b>                                          |       |                    |                  |                    |                  |
| Debtors                                                        | 10    | 3,645,303          |                  | 2,469,844          |                  |
| Cash at bank and in hand                                       |       | 1,288,342          |                  | 627,467            |                  |
|                                                                |       | <u>4,933,645</u>   |                  | <u>3,097,311</u>   |                  |
| <b>Creditors: amounts falling due within one year</b>          | 11    | <u>(2,919,425)</u> |                  | <u>(1,586,401)</u> |                  |
| <b>Net current assets</b>                                      |       |                    | 2,014,220        |                    | 1,510,910        |
| <b>Total assets less current liabilities</b>                   |       |                    | 2,171,086        |                    | 1,626,543        |
| <b>Creditors: amounts falling due after more than one year</b> | 12    |                    | (1,953)          |                    | (18,090)         |
| <b>Provisions for liabilities</b>                              | 13    |                    | (13,100)         |                    | (6,405)          |
| <b>Net assets</b>                                              |       |                    | <u>2,156,033</u> |                    | <u>1,602,048</u> |
| <b>Capital and reserves</b>                                    |       |                    |                  |                    |                  |
| Called up share capital                                        | 16    |                    | 100              |                    | 100              |
| Profit and loss reserves                                       |       |                    | 2,155,933        |                    | 1,601,948        |
| <b>Total equity</b>                                            |       |                    | <u>2,156,033</u> |                    | <u>1,602,048</u> |

The financial statements were approved by the board of directors and authorised for issue on 14/7/2017 and are signed on its behalf by:



J McArdle  
Director

Company Registration No. 03692607

**MCARDLE SPORT-TEC LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2016**

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|                                                    | <b>Share<br/>capital</b> | <b>Profit and<br/>loss<br/>reserves</b> | <b>Total</b>          |
|----------------------------------------------------|--------------------------|-----------------------------------------|-----------------------|
|                                                    | <b>£</b>                 | <b>£</b>                                | <b>£</b>              |
| <b>Balance at 1 January 2015</b>                   | 100                      | 1,405,868                               | 1,405,968             |
| <b>Year ended 31 December 2015:</b>                |                          |                                         |                       |
| Profit and total comprehensive income for the year | -                        | 196,080                                 | 196,080               |
|                                                    | <hr/>                    | <hr/>                                   | <hr/>                 |
| <b>Balance at 31 December 2015</b>                 | 100                      | 1,601,948                               | 1,602,048             |
| <b>Year ended 31 December 2016:</b>                |                          |                                         |                       |
| Profit and total comprehensive income for the year | -                        | 553,985                                 | 553,985               |
|                                                    | <hr/>                    | <hr/>                                   | <hr/>                 |
| <b>Balance at 31 December 2016</b>                 | <hr/> <hr/> 100          | <hr/> <hr/> 2,155,933                   | <hr/> <hr/> 2,156,033 |

# MCARDLE SPORT-TEC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

#### Company information

McArdle Sport-Tec Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 - 2 Thames Park, Lester Way, Wallingford, Oxon, OX10 9TA.

#### 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Advantage has been taken of the exemption from the requirement to present a cash flow statement as part of the company's financial statements as the company is a qualifying entity, it being a member of a group that prepares publically available consolidated financial statements.

#### 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 represents the value of work done during the year net of value added tax. The value of work done is calculated as the certified work plus the amount anticipated to be certified, adjusted for over and under measures.

#### 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.

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            | 25% on written down value                             |
| Fixtures, fittings & equipment | 25% on written down value / 20% on cost / 33% on cost |
| Motor vehicles                 | 25% on written down value                             |

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 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.

# MCARDLE SPORT-TEC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use.

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.

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 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.

#### 1.7 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 balance sheet 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 publicly 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. The impairment loss is recognised in profit or loss.

# MCARDLE SPORT-TEC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### ***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.

#### ***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.

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.

### 1.8 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.

### 1.9 Taxation

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

**MCARDLE SPORT-TEC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**1 Accounting policies**

**(Continued)**

***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.

***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.

**1.10 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.

**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.12 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

# MCARDLE SPORT-TEC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Going concern

As indicated in note 1.2 it is the directors' assessment that the company continues to be a going concern. Accordingly, assets and liabilities have been valued on the basis that the company will continue in business. If this presumption proved to be mistaken the carrying value of the assets and liabilities would need to be reappraised to reflect the impact of cessation.

#### Assessing indicators of impairment

In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no material indicators of impairments identified during the current financial year other than in respect of bad and doubtful trade debtor balances recognised in the financial statements.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Revenue recognition in respect of services

The company uses the percentage of completion method to recognise project revenue for fixed-price contracts. This method requires the directors to estimate the level of services performed at each reporting date as a proportion of the total services to be performed to complete the contract. Variations to estimates could result in the over or under recognition of revenue.

#### Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of the individual or groups of customers.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

|          | 2016       | 2015      |
|----------|------------|-----------|
|          | £          | £         |
| Turnover |            |           |
| Sales    | 14,645,353 | 8,026,295 |

**MCARDLE SPORT-TEC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**3 Turnover and other revenue (Continued)**

**Other significant revenue**

|                 |       |       |
|-----------------|-------|-------|
| Interest income | 1,535 | 3,778 |
|-----------------|-------|-------|

**Turnover analysed by geographical market**

|                | <b>2016</b> | <b>2015</b> |
|----------------|-------------|-------------|
|                | <b>£</b>    | <b>£</b>    |
| United Kingdom | 14,645,353  | 8,026,295   |

**4 Operating profit**

|                                                                                           | <b>2016</b> | <b>2015</b> |
|-------------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                           | <b>£</b>    | <b>£</b>    |
| Operating profit for the year is stated after charging/(crediting):                       |             |             |
| Exchange (gains)/losses                                                                   | (3,522)     | 33          |
| Fees payable to the company's auditor for the audit of the company's financial statements | 13,506      | 8,520       |
| Depreciation of owned tangible fixed assets                                               | 46,515      | 42,619      |
| Loss on disposal of tangible fixed assets                                                 | 2,787       | 404         |

**5 Employees**

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

|  | <b>2016</b>   | <b>2015</b>   |
|--|---------------|---------------|
|  | <b>Number</b> | <b>Number</b> |
|  | 21            | 15            |

Their aggregate remuneration comprised:

|                    | <b>2016</b> | <b>2015</b> |
|--------------------|-------------|-------------|
|                    | <b>£</b>    | <b>£</b>    |
| Wages and salaries | 1,225,932   | 850,490     |
| Pension costs      | 115,535     | 78,989      |
|                    | 1,361,382   | 929,479     |

**MCARDLE SPORT-TEC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**6 Directors' remuneration**

|                                                               | <b>2016</b>    | <b>2015</b>    |
|---------------------------------------------------------------|----------------|----------------|
|                                                               | <b>£</b>       | <b>£</b>       |
| Remuneration for qualifying services                          | 489,928        | 151,702        |
| Company pension contributions to defined contribution schemes | 115,535        | 75,533         |
|                                                               | <u>625,378</u> | <u>227,235</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2015 - 1).

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

|                                                               |                |                |
|---------------------------------------------------------------|----------------|----------------|
| Remuneration for qualifying services                          | 46,936         | 46,358         |
| Company pension contributions to defined contribution schemes | 112,080        | 75,533         |
|                                                               | <u>159,016</u> | <u>121,891</u> |

**7 Interest receivable and similar income**

|                           | <b>2016</b>  | <b>2015</b>  |
|---------------------------|--------------|--------------|
|                           | <b>£</b>     | <b>£</b>     |
| <b>Interest income</b>    |              |              |
| Interest on bank deposits | 1,535        | 3,778        |
|                           | <u>1,535</u> | <u>3,778</u> |

Investment income includes the following:

|                                                                                |              |              |
|--------------------------------------------------------------------------------|--------------|--------------|
| Interest on financial assets not measured at fair value through profit or loss | 1,535        | 3,778        |
|                                                                                | <u>1,535</u> | <u>3,778</u> |

**8 Taxation**

|                                                      | <b>2016</b>    | <b>2015</b>    |
|------------------------------------------------------|----------------|----------------|
|                                                      | <b>£</b>       | <b>£</b>       |
| <b>Current tax</b>                                   |                |                |
| UK corporation tax on profits for the current period | 133,203        | 55,992         |
|                                                      | <u>133,203</u> | <u>55,992</u>  |
| <b>Deferred tax</b>                                  |                |                |
| Origination and reversal of timing differences       | 6,695          | (2,187)        |
|                                                      | <u>6,695</u>   | <u>(2,187)</u> |
| <b>Total tax charge</b>                              | <u>139,898</u> | <u>53,805</u>  |

**MCARDLE SPORT-TEC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**8 Taxation**

**(Continued)**

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

|                                                                                                      | 2016<br>£ | 2015<br>£ |
|------------------------------------------------------------------------------------------------------|-----------|-----------|
| Profit before taxation                                                                               | 693,883   | 249,885   |
| Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.14%) | 138,777   | 50,327    |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 2,586     | 1,987     |
| Permanent capital allowances in excess of depreciation                                               | (8,160)   | 3,678     |
| Deferred tax adjustments in respect of prior years                                                   | 6,695     | (2,187)   |
| Taxation charge for the year                                                                         | 139,898   | 53,805    |

**9 Tangible fixed assets**

|                                    | Plant and<br>machinery<br>£ | Fixtures, fittings &<br>equipment<br>£ | Motor vehicles<br>£ | Total<br>£ |
|------------------------------------|-----------------------------|----------------------------------------|---------------------|------------|
| <b>Cost</b>                        |                             |                                        |                     |            |
| At 1 January 2016                  | 55,348                      | 75,035                                 | 151,695             | 282,078    |
| Additions                          | 3,007                       | 2,480                                  | 88,148              | 93,635     |
| Disposals                          | -                           | -                                      | (17,920)            | (17,920)   |
| At 31 December 2016                | 58,355                      | 77,515                                 | 221,923             | 357,793    |
| <b>Depreciation and impairment</b> |                             |                                        |                     |            |
| At 1 January 2016                  | 41,525                      | 58,171                                 | 66,749              | 166,445    |
| Depreciation charged in the year   | 4,055                       | 7,930                                  | 34,530              | 46,515     |
| Eliminated in respect of disposals | -                           | -                                      | (12,033)            | (12,033)   |
| At 31 December 2016                | 45,580                      | 66,101                                 | 89,246              | 200,927    |
| <b>Carrying amount</b>             |                             |                                        |                     |            |
| At 31 December 2016                | 12,775                      | 11,414                                 | 132,677             | 156,866    |
| At 31 December 2015                | 13,823                      | 16,864                                 | 84,946              | 115,633    |

**MCARDLE SPORT-TEC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

|                                                                   |              |                  |                  |
|-------------------------------------------------------------------|--------------|------------------|------------------|
| <b>10 Debtors</b>                                                 |              | <b>2016</b>      | <b>2015</b>      |
|                                                                   |              | <b>£</b>         | <b>£</b>         |
| <b>Amounts falling due within one year:</b>                       |              |                  |                  |
| Trade debtors                                                     |              | 2,053,436        | 1,571,077        |
| Amounts due from group undertakings                               |              | 1,526,278        | 340,000          |
| Other debtors                                                     |              | 82               | 82               |
| Prepayments and accrued income                                    |              | 65,507           | 58,685           |
|                                                                   |              | <u>3,645,303</u> | <u>1,969,844</u> |
|                                                                   |              |                  |                  |
|                                                                   |              | <b>2016</b>      | <b>2015</b>      |
|                                                                   |              | <b>£</b>         | <b>£</b>         |
| <b>Amounts falling due after more than one year:</b>              |              |                  |                  |
| Amounts due from group undertakings                               |              | -                | 500,000          |
|                                                                   |              | <u>-</u>         | <u>500,000</u>   |
| <b>Total debtors</b>                                              |              | <u>3,645,303</u> | <u>2,469,844</u> |
|                                                                   |              |                  |                  |
| <b>11 Creditors: amounts falling due within one year</b>          |              | <b>2016</b>      | <b>2015</b>      |
|                                                                   |              | <b>£</b>         | <b>£</b>         |
| Trade creditors                                                   |              | 1,975,737        | 1,437,898        |
| Corporation tax                                                   |              | 133,203          | 55,992           |
| Other taxation and social security                                |              | 523,990          | 79,764           |
| Other creditors                                                   |              | 200,000          | 283              |
| Accruals and deferred income                                      |              | 86,495           | 12,464           |
|                                                                   |              | <u>2,919,425</u> | <u>1,586,401</u> |
|                                                                   |              |                  |                  |
| <b>12 Creditors: amounts falling due after more than one year</b> |              | <b>2016</b>      | <b>2015</b>      |
|                                                                   |              | <b>£</b>         | <b>£</b>         |
| Other creditors                                                   |              | 1,953            | 18,090           |
|                                                                   |              | <u>1,953</u>     | <u>18,090</u>    |
|                                                                   |              |                  |                  |
| <b>13 Provisions for liabilities</b>                              |              | <b>2016</b>      | <b>2015</b>      |
|                                                                   | <b>Notes</b> | <b>£</b>         | <b>£</b>         |
| Deferred tax liabilities                                          | <b>14</b>    | 13,100           | 6,405            |
|                                                                   |              | <u>13,100</u>    | <u>6,405</u>     |

**MCARDLE SPORT-TEC LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2016****14 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:

|                                | <b>Liabilities<br/>2016<br/>£</b> | <b>Liabilities<br/>2015<br/>£</b> |
|--------------------------------|-----------------------------------|-----------------------------------|
| <b>Balances:</b>               |                                   |                                   |
| Accelerated capital allowances | <u>13,100</u>                     | <u>6,405</u>                      |
| <b>Movements in the year:</b>  |                                   | <b>2016<br/>£</b>                 |
| Liability at 1 January 2016    |                                   | 6,405                             |
| Charge to profit or loss       |                                   | <u>6,695</u>                      |
| Liability at 31 December 2016  |                                   | <u>13,100</u>                     |

The deferred tax liability set out above is expected to reverse within [12 months] and relates to accelerated capital allowances that are expected to mature within the same period.

**15 Retirement benefit schemes**

|                                                                     | <b>2016<br/>£</b> | <b>2015<br/>£</b> |
|---------------------------------------------------------------------|-------------------|-------------------|
| <b>Defined contribution schemes</b>                                 |                   |                   |
| Charge to profit or loss in respect of defined contribution schemes | <u>115,535</u>    | <u>78,989</u>     |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

**16 Share capital**

|                                                         | <b>2016<br/>£</b> | <b>2015<br/>£</b> |
|---------------------------------------------------------|-------------------|-------------------|
| <b>Ordinary share capital<br/>Issued and fully paid</b> |                   |                   |
| 100 Ordinary shares of £1 each                          | <u>100</u>        | <u>100</u>        |

# MCARDLE SPORT-TEC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 17 Related party transactions

During the year the following transactions took place with related parties:

**Sale of van:**

|                    |             |               |
|--------------------|-------------|---------------|
| Taylor Mac Limited | 2016 - £nil | 2015 - £5,000 |
|--------------------|-------------|---------------|

**Rent payable to:**

|                          |                |                |
|--------------------------|----------------|----------------|
| McArdle Holdings Limited | 2016 - £50,000 | 2015 - £34,000 |
|--------------------------|----------------|----------------|

**Recharged expenses:**

|                          |               |               |
|--------------------------|---------------|---------------|
| McArdle Holdings Limited | 2016 - £1,436 | 2015 - £1,432 |
|--------------------------|---------------|---------------|

|                    |             |             |
|--------------------|-------------|-------------|
| Taylor Mac Limited | 2016 - £550 | 2015 - £nil |
|--------------------|-------------|-------------|

Included in other debtors are the following balances owed to related parties;

|                          |                   |                 |
|--------------------------|-------------------|-----------------|
| McArdle Holdings Limited | 2016 - £1,526,278 | 2015 - £840,000 |
|--------------------------|-------------------|-----------------|

All amounts are interest free and payable on demand.

### 18 Controlling party

Throughout the previous and current year the ultimate and immediate parent company is McArdle Holdings Limited, a company registered in England and Wales. McArdle Holdings Limited had ultimate control throughout the previous and current year due to the fact that it holds 100% of the issued share capital. There was no one controlling party of McArdle Holdings Limited during the previous and current year.

J McArdle and K Sands are directors of the ultimate parent company.