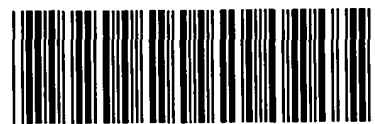

ARJ CONSTRUCTION PROPERTY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2016

FRIDAY



A5KHLY2R

A27

25/11/2016

#337

COMPANIES HOUSE

ARJ CONSTRUCTION PROPERTY LIMITED

COMPANY INFORMATION

Directors

S J Doherty
A D Holt
S W Kneller

Registered number

08548708

Registered office

Bedford House
Rutherford Close
Meadway Technology Park
Stevenage
Hertfordshire
SG1 2EF

Independent auditor

Hillier Hopkins LLP
Chartered Accountants & Statutory Auditor
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

ARJ CONSTRUCTION PROPERTY LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Statement of income and retained earnings	5
Balance sheet	6
Statement of cash flows	7
Notes to the financial statements	8 - 16

ARJ CONSTRUCTION PROPERTY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2016

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

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £31,090 (2015 - £18,888).

Directors

The directors who served during the year were:

S J Doherty
A D Holt
S W Kneller

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

ARJ CONSTRUCTION PROPERTY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2016**

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



S J Doherty
Director

Date: 15/11/16.

ARJ CONSTRUCTION PROPERTY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARJ CONSTRUCTION PROPERTY LIMITED

We have audited the financial statements of ARJ Construction Property Limited for the year ended 30 April 2016, set out on pages 5 to 16. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 on page 1, 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 Financial Reporting Council'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 Directors' 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 30 April 2016 and of its profit or loss 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those accounts. In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors Report.

ARJ CONSTRUCTION PROPERTY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARJ CONSTRUCTION PROPERTY
LIMITED (CONTINUED)

Matters on which we are required to report by exception

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts

WD17 1HP

Date: 17th November 2016

ARJ CONSTRUCTION PROPERTY LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 APRIL 2016**

	Note	2016 £	2015 £
Turnover	4	60,000	60,000
Gross profit		60,000	60,000
Administrative expenses		(5,565)	(20,624)
Operating profit	5	54,435	39,376
Interest payable and expenses	8	(15,573)	(16,174)
Profit before tax		38,862	23,202
Tax on profit	9	(7,772)	(4,314)
Profit after tax		31,090	18,888
Retained earnings at the beginning of the year		30,755	11,867
		30,755	11,867
Profit for the year		31,090	18,888
Retained earnings at the end of the year		61,845	30,755

The notes on pages 8 to 16 form part of these financial statements.

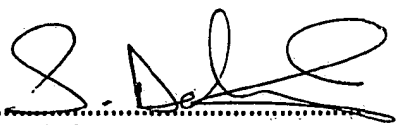
ARJ CONSTRUCTION PROPERTY LIMITED
REGISTERED NUMBER: 08548708

BALANCE SHEET
AS AT 30 APRIL 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Investment property	10		767,433		767,433
			<u>767,433</u>		<u>767,433</u>
Current assets					
Debtors: amounts falling due within one year	11	814		807	
Cash at bank and in hand	12	18,232		12,820	
		<u>19,046</u>		<u>13,627</u>	
Creditors: amounts falling due within one year	13	(299,646)		(295,808)	
Net current liabilities			<u>(280,600)</u>		<u>(282,181)</u>
Total assets less current liabilities			<u>486,833</u>		<u>485,252</u>
Creditors: amounts falling due after more than one year	14		(424,987)		(454,496)
Net assets			<u><u>61,846</u></u>		<u><u>30,756</u></u>
Capital and reserves					
Called up share capital	17		1		1
Profit and loss account	18		61,845		30,755
			<u><u>61,846</u></u>		<u><u>30,756</u></u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


S J Doherty

Director

Date: 15/11/16

The notes on pages 9 to 17 form part of these financial statements.

ARJ CONSTRUCTION PROPERTY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	31,090	18,888
Adjustments for:		
Cash and cash equivalents at beginning of year	12,820	7,365
Cash and cash equivalents at the end of year	<u>43,910</u>	<u>26,253</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	18,232	12,820
	<u>18,232</u>	<u>12,820</u>

ARJ CONSTRUCTION PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

1. General information

ARJ Construction Property Limited is a company incorporated and domiciled in the UK.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Investment property

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

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

ARJ CONSTRUCTION PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

2. Accounting policies (continued)

2.5 Cash and cash equivalents

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

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

ARJ CONSTRUCTION PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Rent receivable	60,000	60,000
	<u>60,000</u>	<u>60,000</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	60,000	60,000
	<u>60,000</u>	<u>60,000</u>

5. Operating profit

The operating profit is stated after charging:

During the year, no director received any emoluments (2015 - £NIL).

ARJ CONSTRUCTION PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

6. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>29,200</u>	<u>26,380</u>

7. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

8. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	<u>15,573</u>	<u>16,174</u>

9. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	<u>7,772</u>	<u>4,314</u>
Deferred tax		
Taxation on profit on ordinary activities	<u>7,772</u>	<u>4,314</u>

ARJ CONSTRUCTION PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>38,862</u>	<u>23,202</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	7,772	4,314
Effects of:		
Total tax charge for the year	<u>7,772</u>	<u>4,314</u>

Factors that may affect future tax charges

On 8 July 2015 the Chancellor of the Exchequer announced a reduction in the main rate of UK corporation tax to 19 per cent with effect from 1 April 2017 and 18 per cent with effect from 1 April 2020. These changes were substantively enacted on 26 October 2015.

ARJ CONSTRUCTION PROPERTY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

10. Investment property

	Freehold investment property £
Valuation	
At 1 May 2015	767,433
At 30 April 2016	767,433

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

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2016 £	2015 £
Historic cost	792,530	792,530
Accumulated depreciation and impairments	(40,948)	(25,097)
	751,582	767,433

11. Debtors

	2016 £	2015 £
Other debtors	7	-
Prepayments and accrued income	807	807
	814	807

12. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	18,232	12,820

ARJ CONSTRUCTION PROPERTY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

13. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	29,508	28,705
Amounts owed to group undertakings	259,999	259,999
Corporation tax	7,772	4,314
Taxation and social security	2,367	2,790
	<u>299,646</u>	<u>295,808</u>

There is a debenture including fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future dated 2 March 2007. Composite Company Unlimited Multilateral Guarantee dated 17 September 2013 given by ARJ Construction Property Limited, ARJ Construction Limited, ARJ Construction Holdings Limited.

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

	2016 £	2015 £
Bank loans	<u>424,987</u>	<u>454,496</u>

15. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	29,509	28,707
Amounts falling due after more than 5 years		
Bank loans	<u>424,987</u>	<u>454,496</u>
	<u>454,496</u>	<u>483,203</u>

ARJ CONSTRUCTION PROPERTY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

16. Financial instruments

	2016	2015
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	18,232	12,820
Financial assets that are debt instruments measured at amortised cost	7	-
	<u>18,239</u>	<u>12,820</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(714,495)	(743,202)
	<u>(714,495)</u>	<u>(743,202)</u>

17. Share capital

	2016	2015
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

18. Reserves

Profit & loss account

Profit and loss account includes all current and prior period retained profits and losses.

19. Related party transactions

At the balance sheet date, the company was a wholly owned subsidiary of ARJ Construction Holdings Limited and has taken advantage of the exemptions available under FRS 102 for non-disclosure of inter-group related party transactions with wholly owned subsidiaries.

ARJ CONSTRUCTION PROPERTY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

20. Controlling party

The immediate parent company is ARJ Contruction Holdings Limited, a company registered in England and Wales. There is no ultimate controlling party.

The consolidated account of the parent company ARJ Construction Holdings Limited are publically available for their registered office of:

ARJ Construction Holdings Limited,
Rutherford Close,
Meadway Technology Park,
Stevenage,
Herts,
SG1 2EF

21. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.